



**2005-2006  
Budget**

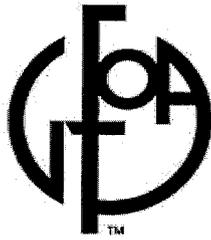
# City of Bellevue, Washington



## 2005-2006 Budget

For the Biennium  
January 1, 2005 through December 31, 2006

**Bellevue City Council**  
Connie Marshall, Mayor  
Phil Noble, Deputy Mayor  
Claudia Balducci  
John Chelminiak  
Don Davidson  
Grant Degginger  
Conrad Lee



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Bellevue  
Washington**

For the Fiscal Year Beginning

**January 1, 2003**

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an Award for Distinguished Budget Presentation to the City of Bellevue, Washington for its biennial budget for the fiscal biennium beginning January 1, 2003.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of two years only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**City of Bellevue, Washington  
2005 – 2006  
Budget**

**Table of Contents**

---

	<u>Page</u>
Chapter 1 - Transmittal Letter .....	1-1
Chapter 2 - Reader's Guide .....	2-1
A. 2005-2006 Budget Documents .....	2-2
B. Basis of Accounting.....	2-6
C. Glossary .....	2-7
D. Locating Additional Budget and Financial Information.....	2-18
Chapter 3 - Executive Summary .....	3-1
A. General Fund Financial Forecast Summary .....	3-2
B. Utility Funds Financial Forecast Summary .....	3-3
C. Parks Enterprise Fund Financial Forecast Summary .....	3-5
D. Development Services Fund Financial Forecast Summary.....	3-7
E. Budget Summary .....	3-8
F. Debt Information.....	3-28
Chapter 4 - Resource Summary .....	4-1
A. Total City Budget Resources .....	4-2
B. Operating Budget Resources.....	4-14
C. Special Purpose Funds Budget Resources .....	4-18
D. Capital Projects Funds Budget Resources .....	4-20
Chapter 5 - Financial Forecasts .....	5-1
A. General Fund Financial Forecast.....	5-2
B. Utility Funds Financial Forecast.....	5-14
C. Parks Enterprise Fund Financial Forecast.....	5-27
D. Development Services Fund Financial Forecast .....	5-30
Chapter 6 – About Bellevue .....	6-1
A. Form of Government and Organization .....	6-1
B. Location, Population, and Business Climate .....	6-9
Chapter 7 – Council Vision/Mission/Priorities .....	7-1
Chapter 8 – Comprehensive Financial Management Policy.....	8-1
Chapter 9 – Stakeholder Outreach Summary.....	9-1
A. Introduction .....	9-1
B. Bellevue Budget Survey.....	9-1
C. Pubic Hearings.....	9-28

**City of Bellevue, Washington**  
**2005 – 2006**  
**Budget**

**Table of Contents (Cont'd)**

---

**DEPARTMENT SECTIONS each contain the following:**

Budget Overview  
Missions and Goals  
2003-2004 Accomplishments  
2005-2006 Major Work Initiatives  
Program Overviews  
2005-2006 CIP Plan Projects  
Financial Summary  
Department Organizational Chart

	<u>Page</u>
Chapter 10 – City Attorney.....	10-1
Chapter 11 – City Clerk.....	11-1
Chapter 12 – City Council.....	12-1
Chapter 13 – City Manager.....	13-1
Chapter 14 – Community Council.....	14-1
Chapter 15 – Finance.....	15-1
Chapter 16 – Fire.....	16-1
Chapter 17 – Hotel/Motel Taxes.....	17-1
Chapter 18 – Human Resources.....	18-1
Chapter 19 – Information Technology.....	19-1
Chapter 20 – Miscellaneous Non-Departmental.....	20-1
Chapter 21 – New City Hall.....	21-1
Chapter 22 – Parks & Community Services.....	22-1
Chapter 23 – Planning & Community Development.....	23-1
Chapter 24 – Police.....	24-1
Chapter 25 – Transportation.....	25-1
Chapter 26 – Utilities.....	26-1



Post Office Box 90012 • Bellevue, Washington • 98009 9012

March 30, 2005

The Honorable Mayor  
Members of the City Council  
Residents and Stakeholders of the City of Bellevue

Dear Mayor Marshall, City Councilmembers, Residents and Stakeholders of Bellevue:

We are pleased to present the City's 2005-2006 Operating Budget and the 2005-2011 Capital Investment Program (CIP) Plan. These combined budgets, totaling \$982 million for the 2005-2006 biennium, were adopted by the City Council on December 6, 2004. The combined budgets will be referred to as the "Budget" in the balance of this letter.

The Budget reflects both the opportunities and challenges of a slowly improving economy. Most local governments throughout the United States are still feeling the impact of the past recession. Bellevue is no exception. We continue to monitor our budget closely to insure that we spend within our means.

Despite the economic volatility of the past three years, services for residents have been enhanced and the City has moved forward on many strategic fronts including:

- Development of a new City Hall. Scheduled for completion in the winter of 2005, this facility will allow the City to better serve the public and enhance our downtown core.
- Completion of a Development Services Initiative. The City re-engineered the development review approach to improve the timeliness and consistency of the process.
- Adoption of Information Technology Improvements. Bellevue began replacing an antiquated financial accounting and human resource system; implemented a new utilities customer/billing information system, and adopted a new parks registration system. These investments are expected to improve service to customers and enhance the City's efficiency.
- Initiation of a Downtown Implementation Plan. The plan is expected to ensure the vibrancy and growth of our Central Business District.
- Completion of a new water supply agreement with the Cascade Water Alliance and take over of the Coal Creek Utility District.

These initiatives position the City for the future and provide investment returns to Bellevue in the years to come.

### **Responds to Stakeholder Input**

The Budget builds on the most recent budget survey of Bellevue residents, which showed very high resident satisfaction ratings. Key findings include:

- Ninety-seven percent of survey respondents say that Bellevue is a good or excellent place to live. This is the highest rating ever.
- More than four out of five respondents believe they are getting their money's worth from their tax dollars.
- Three-quarters of the respondents believe that our service and tax levels are about where they should be.

In general, Bellevue residents are happy with their city and its direction.

### **Responds to Council Policy Direction**

This Budget is built on fundamental financial management principles and City Council direction, with the goal of continuing the delivery of high quality, efficient municipal services within available resources. The Budget:

- **Reduces staffing.** This budget includes a net reduction in staffing of 10.64 FTEs. Some of this staffing reduction is attributable to centralization and the implementation of the Enterprise Resource Planning (ERP) system which will allow for the early elimination of 7.44 FTEs out of the eventual total of 18 positions to be cut due to the ERP system. The Budget includes the addition of four FTEs to staff the South Bellevue Community Center, which is scheduled to open in 2006. However, these four positions are completely revenue supported.
- **Controls Bellevue's budget growth by limiting expenditures.** Budget reductions of \$2.8 million were made in order to contain programs within available revenue. In addition, departmental budgets do not include inflation adjustments in 2005, saving a total of \$2.6 million for the biennium—approximately \$0.9 million in the General Fund and \$1.7 million in other funds. This citywide action affects all departments and will challenge departments to seek additional efficiencies.
- **Increases utility taxes to maintain existing levels of service.** The 2005-2010 General Fund forecast projected that, without an ongoing revenue enhancement, a structural budget gap of \$1 million per year would continue through 2010. The budget increased existing electric, natural gas, water, wastewater, and stormwater utility tax rates from 4.5% to 5%. This increase is expected to generate \$1.8 million in the 2005-2006 biennium.
- **Does not increase property taxes.** This is the tenth time in the past eleven years when no property tax rate increase is proposed.

## **Operating and Capital Investment Program (CIP) Budget Highlights**

The Budget emphasizes four key areas for departments to address during 2005-2006: Neighborhood Investment, Economic Vitality and Development, Enhancing Parks and Open Space, and Cultural Enrichment.

Within the operating budget there are two enhancements:

- **Enhanced Economic Development to continue positioning Bellevue as a regional business center (\$400,000 in expenditures; no revenue offset).** This investment will focus Bellevue's resources toward long-term economic and regional strategies aimed at stimulating economic growth and strengthening the local economy.
- **Expansion of Bellevue's first-class parks and recreation system (\$845,000 expenditures, \$395,000 revenues).** The Budget includes 4 positions in the Parks and Community Services Department to support the planned opening of the new South Bellevue Community Center in January, 2006. All of these positions will be supported by corresponding revenues.

Within the General CIP budget there are four enhancements:

- **NE 10<sup>th</sup> Street (increase to \$4.7 million).** This funds a portion of NE 10<sup>th</sup> Street construction at the soon-to-be-expanded Overlake Hospital Medical Center.
- **Urban Corridor Design/High Capacity Transit (\$962,000).** This is an analysis of alternative future development scenarios for the Bellevue-Redmond Road corridor. This work will be closely coordinated with the Phase 2 High Capacity Transit (HCT) planning being conducted in the same timeframe by Sound Transit, and will help achieve the land use potential provided by an Eastside HCT investment.
- **Neighborhood Investment Strategy Future Areas (\$250,000 per year).** This investment provides second phase funding of the Neighborhood Investment Strategy to focus special attention on neighborhoods experiencing higher levels of stress and lower private investment.
- **Eastgate Subarea Plan (\$145,000).** Significant changes have occurred in the Eastgate corridor over the 14 years since this Plan was originally developed. This funding will provide technical work on urban design and development alternatives to achieve a more coherent identity and improve the area's economic vitality and character.

In addition, the Utilities CIP includes eleven projects that have increased funding or have been added, six of which are a result of the Coal Creek/Newport Shores settlement agreement with King County.

- **Ongoing Utilities Projects (\$3.2 million).** These projects provide water quality upgrades, replacement of large commercial water meters, and replacement of aging and deteriorating water service pipe connections and service lines.

- **Central Business District Capacity (\$1.8 million).** This project provides sufficient sewer capacity for anticipated development in the eastern part of the Central Business District.
- **Flood Control (\$2.9 million).** This funding was added to construct improvements to public drainage systems to alleviate flooding throughout the City.
- **Coal Creek (\$3.4 million).** This funding results from the Coal Creek settlement agreement. Projects from this settlement are expected to reduce downstream sedimentation, preserve the flood control functions of downstream facilities, as well as improve stream conditions for fish. Projects will protect stream banks from ongoing erosion, repair or replace existing storm water outfalls, minimize stream incision and help trap excessive sediment, construct a sediment pond on the main stem of Coal Creek, and provide a programmatic Environmental Impact Statement for the package of projects for the stabilization of Coal Creek.

In total, the 2005-2011 CIP Plan is \$359.6 million, of which \$295.6 million is allocated to the General CIP and \$64.0 million to the Utilities CIP.

**Utility Funds**

According to Council-adopted financial policies, City utility forecasts, budgets, and rates are based on the full cost of providing utility services now and in the future. In the 2005-06 budget, rate increases stem from the following factors:

- Pass-through increases in wholesale Metro/King County Sewer costs to customers;
- A new water supply agreement with the Cascade Water Alliance;
- Pavement and roadway restorations due to utility projects;
- Compliance with Federal Clean Water Act requirements;
- Costs associated with the Coal Creek settlement agreement; and
- Increased renewal and replacement requirements.

To accomplish the business needs of the Utilities in 2005-2006, the Council approved the following utility rate increases:

	<u>2005</u>	<u>2006</u>
Water	3.7%	0.0%
Wastewater (sewer)	12.0%	1.6%
Storm and Surface Water	9.4%	7.1%

As a result of these increases, average monthly Utility bills for single family residential customers are expected to increase from \$81.07 to \$87.85 in 2005 and to \$89.37 in 2006.

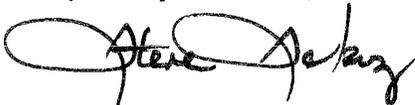
**Summary**

In closing, I want to extend my thanks to all those involved in the preparation of the Budget, including the Council, City residents, representatives of the business

community, and staff. Economic conditions made this a challenging budget process. Through the insights, hard work, and dedication of many participants, the City has developed a budget that addresses strategic needs while continuing the our longstanding tradition of providing high levels of service coupled with sound financial management.

I look forward to working with the City Council, staff, residents, and other stakeholders as we implement the 2005-2006 Budget and the 2005-2011 Capital Investment Program Plan.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve Sarkozy". The signature is stylized with a large, circular initial "S" and a long, sweeping underline.

Steve Sarkozy  
City Manager



## Reader's Guide

---

Understanding a municipal budget and its specialized terminology can be a challenging exercise. This Reader's Guide has been developed to make review of the City of Bellevue's budget easier. It highlights the type of information contained in each chapter, describes some parts in detail, presents a glossary of commonly used budget terms, and gives directions for locating additional budget information.

The Reader's Guide is organized into the following sections:

**A. 2005-2006 Budget Documents**

This section identifies the information presented in each volume of the budget.

**B. Basis of Accounting**

This section discusses the basis of accounting used to present budget information.

**C. Glossary**

This section provides definitions for many of the terms used in the budget document.

**D. Locating Additional Budget and Financial Information**

This section provides a list of other documents containing information about the City's finances.

## A. 2005-2006 BUDGET DOCUMENTS

The City of Bellevue has consolidated its operating and capital investment spending plans into four volumes:

*Budget in Brief* - provides an overall summary of the City's 2005-2006 Budget. It is an ideal document for individuals who only need summary information about the City of Bellevue's Budget.

*2005-2006 Budget* - is designed to provide the reader with a "one stop" comprehensive look at Bellevue's Budget. See the following section for details on each chapter in the 2005-2006 Budget document.

*2005-2011 Capital Investment Program Plan* - is designed for readers who are most interested in the City's long range plan for improving and maintaining its capital and technological infrastructure. It contains information relating to criteria for setting project priorities, maps, lists of funded projects, and project detail for all capital projects the City plans to implement between 2005 and 2011.

*2005-2006 Budget Detail* - is designed for those who want to get "behind the broader numbers" and explore some of the source data. It includes detail information on the resources supporting the budget as well as expenditures by type with comparisons to previous years. Also included are personnel reports and descriptions of each of the City's funds.

## **2005-2006 Budget Document Organization**

### Chapter 1 - Transmittal Letter

The Budget Transmittal Letter presents the City Manager's message on the 2005-2006 Budget and the 2005-2011 CIP Plan to the Mayor, Councilmembers, residents, and other stakeholders. The City Manager's transmittal letter highlights the priorities and issues for both operating and CIP budgets.

### Chapter 2 - Reader's Guide

### Chapter 3 - Executive Summary

The Executive Summary presents a high level summary of the key components of the 2005-2006 Budget. It begins with narrative sections highlighting the General Fund, Utility Funds, Parks Enterprise, and Development Services Fund Financial Forecasts. It includes information on "where the money comes from" such as taxes, grants, and beginning fund balances; "where the money goes" such as Transportation, Police, and Parks; and "what the money buys" such as personnel, maintenance and operations, and capital. The chapter includes a series of charts, graphs, and tables summarizing 2005-2006 resource and expenditure information.

### Chapter 4 - Resource Summary

The Resource Summary presents 2005-2006 Budget resource information primarily through the use of graphic presentations. This chapter contains more detailed information on resources than what is included in the Executive Summary chapter.

### Chapter 5 - Financial Forecasts

This chapter presents the six-year financial forecasts for the General Fund, Utility Funds, Parks Enterprise, and Development Services Fund. A forecast is a mid-range look into the future that tries to anticipate what spending and resources will be and what actions the City may need to take now based on those results. It also discusses significant factors that might influence the future including the economy, health benefit costs, collective bargaining agreements with the City's workforce, charges for water, and other factors that might increase or reduce resources or expenditures.

### Chapter 6 – About Bellevue

This chapter provides background information about the City of Bellevue, such as its form of government and organization, location, population, and business climate.

### Chapter 7 - Council Vision/Mission/Priorities

The Council's vision, mission, and priorities were "building blocks" of the budget process. These documents were discussed at the April 19, 2004 Council Study Session, and laid the foundation for seven months of Council review and two Council retreats which led to the adoption of the 2005-2006 Operating and 2005-2011 CIP Budgets.

## Chapter 8 - Comprehensive Financial Management Policy

This chapter presents significant City budget and accounting policies including policies relating to financial monitoring, budget preparation, revenues, and the Capital Investment Program Plan.

## Chapter 9 - Stakeholder Outreach Summary

The City of Bellevue strives to involve the community in the budget process. This chapter describes Bellevue's survey efforts and public hearing process that assures stakeholder input on budget priorities.

## Chapter 10 through Chapter 26 - Department Budgets

Each department presentation is provided in a standard format containing the following information:

- I. BUDGET OVERVIEW - This page gives an overview of the department budget and includes:
  - a pie chart showing department expenditures and reserves by program;
  - a pie chart showing department resources by source;
  - a budget data section that displays the 2005-2006 budget, the dollar change from 2003-2004, the percentage change from 2003-2004 on a per capita basis, the 2005 and 2006 Full-Time Equivalent (FTE) positions, the FTE change from 2004 to 2005 and 2005 to 2006, and the percentage FTE change per thousand population from 2004 to 2005 and 2005 to 2006;
  - a pie chart summarizing the department by budget type;
  - a pie chart showing the department budget as a percent of the total City budget;
  - historical trends information graphing the total budget and operating budget per capita, and FTEs per 1,000 population with descriptive comments; and
  - a section describing significant budget issues.
- II. MISSION & GOALS - This section states the mission and goals that have been set for the department.
- III. 2003-2004 ACCOMPLISHMENTS – This section highlights progress in meeting major initiatives. It shows accomplishments as well as initiatives that may not have been completed including the reasons why.
- IV. 2005-2006 MAJOR WORK INITIATIVES - This section describes the major work initiatives that the department has set for the biennium.
- V. PROGRAM OVERVIEWS - Program overviews are presented that describe each program that is included in the department. The program overviews include:
  - a description of the program and a listing of specific work initiatives for that program;
  - historical trends information graphing the budget per capita and FTEs per 1,000 population with descriptive comments;
  - desired program outcomes;
  - activities related to the program;
  - three types of performance measures - effectiveness, efficiency, and workload with historical actuals and planned targets for each; and
  - program notes.

- VI. 2005-2006 CIP PLAN PROJECTS – This section provides a summary of each department's respective capital projects which have expenditures budgeted during the 2005-2006 biennium.
- VII. FINANCIAL SUMMARY - This section presents a financial summary for each department. The first part of this section displays resources by source, and the second section displays the expenditures and ending fund balance. Both sections compare the 2003-2004 and 2005-2006 bienniums and show the associated dollar and percent change from 2003-2004.
- VIII. ORGANIZATION CHART - For each department with personnel, an organization chart showing functional responsibilities is presented.

## **B. BASIS OF ACCOUNTING**

The City budgets and accounts for all funds on a cash basis. This means that transactions (i.e., resources or expenditures) are recognized only when cash is increased or decreased. For example, an expenditure for consulting services is budgeted when the payment for the service is expected to be made rather than when the service itself is expected to be performed. The City of Bellevue chose to use the cash basis of accounting because it is generally accepted as the easiest basis of accounting to understand and explain.

At year-end, the City prepares financial statements on the modified or full accrual basis, as required by the State-prescribed Budgeting, Accounting, and Reporting System (BARS), and by generally accepted accounting principles (GAAP). These financial statements are presented in the City's Comprehensive Annual Financial Report (CAFR).

## C. GLOSSARY

The following are definitions of some of the more common terms one may encounter in reviewing this budget document.

### ACCRUAL BASIS

A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

### AMENDED BUDGET

The amended budget is defined as the authorized mix and level of services, in place as of the last budget amendment ordinance, adjusted for reorganizations so that costs are comparable to the new biennial budget.

Unless otherwise noted, the 2001, 2002, 2003, and 2004 budget values shown in this document have been amended. They represent the adopted budgets plus additional expenditure appropriations resulting from City Council decisions made throughout the year and any reorganizations.

### APPROPRIATION

A legal authorization granted by the legislative body (City Council) to make expenditures and to incur obligations for specific purposes. For operating fund budgets, these appropriations lapse at the end of each fiscal biennium. For nonoperating/special purpose funds such as the Capital Investment Program Funds, appropriations do not lapse but continue in force until fully expended or until the purpose for which they were granted has been accomplished, abandoned or revised by the City Council.

### ASSESSED VALUATION (AV)

The fair market value of both real (land and buildings) and personal property as determined by the King County Assessor's Office for the purpose of calculating property taxes.

### ASSET

Resources owned or held by a government that have monetary value.

### BARS

The acronym "BARS" stands for Budgeting, Accounting, and Reporting Systems as prescribed by the State of Washington.

### BASE BUDGET

Cost of continuing the existing levels of service in the current budget biennium.

### BEGINNING FUND BALANCE

A revenue account used to record resources available for expenditure in one fiscal biennium because of revenues collected in excess of the budget and/or expenditures were less than the budget in the prior fiscal biennium.

BIENNIAL BUDGET

The financial and operating plan for the City that establishes a two-year appropriation in accordance with Washington State law.

BOND

A long-term "IOU" or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are typically used to finance capital projects.

BUDGET

A financial operating plan for a given period which displays the estimated expenditures to provide services or to accomplish a purpose during that period together with the estimated sources of revenue (income) to pay for those expenditures. Once the fund totals shown in the budget are appropriated by the City Council, they become maximum spending limits.

BUDGET CALENDAR

The schedule of key dates that a government follows in the preparation and adoption of the budget.

BUDGETARY BASIS

This refers to the basis of accounting used to estimate financing sources and uses in the budget. This generally takes one of three forms: Generally Accepted Accounting Principles (GAAP), cash, or modified accrual.

BUDGETARY CONTROL

The control or management of a government in accordance with the approved budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

CAPITAL ASSET

Property that has an initial useful life longer than one year and that is of significant value. The useful life of most capital assets extends well beyond one year. Includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.

CAPITAL EXPENDITURE

An outlay that results in or contributes to the acquisition or construction of a capital asset.

CAPITAL INVESTMENT PROGRAM (CIP)

The CIP is a major planning tool of the City of Bellevue in which needed improvements to the City's facilities and infrastructure are identified, prioritized, priced, and discussed with the City Council and public. Funding from a variety of sources, including local taxes, is matched with the costs of these projects. After the City Council has reviewed and approved the program, these projects are implemented. The CIP covers a seven-year period and is updated every two years.

CAPITAL PROJECT

Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase the useful life.

CASH BASIS

A basis of accounting in which transactions are recognized only when cash is increased or decreased.

CIP

The acronym "CIP" stands for Capital Investment Program. It is a seven-year plan of capital improvements approved by the Council on a biennial basis. This plan is a blueprint which City staff can follow in implementation of the listed projects.

CONSTANT OR REAL DOLLARS

The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

CONSUMER PRICE INDEX (CPI)

A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).

CONTINGENCY

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

CONTRACTUAL SERVICES

Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

DEBT SERVICE

The cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

DEFICIT

The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

DEPRECIATION

Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy, or obsolescence.

DESIRED PROGRAM OUTCOMES

The consequence of what a program or activity does. An end result of a process.

DEVELOPMENT-RELATED FEES

Those fees and charges generated by building, development, and growth in a community. Included are building and street permits, development review fees, zoning, platting, and subdivision fees.

### DIRECT SERVICES OVERHEAD

Costs for centrally-provided internal services which can be identified to specific departments and which departments can control how much of the service they use (e.g., postage, word processing, long-distance phone charges).

### DISBURSEMENT

The expenditure of monies from an account.

### DISTINGUISHED BUDGET PRESENTATION AWARDS PROGRAM

A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

### DOUBLE BUDGETING

The result of having governmental funds or departments purchase services from one another rather than from outside vendors. When internal purchasing occurs, both the "buyer" and the "seller" of services must have a budget. The "buyer" has to budget the expenditure and the "seller" has to have resources in its budget to provide the service. This type of transaction results in inflated budget values because the same expenditure or revenue dollar is budgeted twice, once in each fund's budget. The budget has not been adjusted to reflect double budgeting.

### EFFECTIVENESS MEASURE

A measure used to determine if a program or department is achieving its desired outcome. The degree to which a performance objective is being achieved.

### EFFICIENCY MEASURE

This measure reflects the relationship between work performed and the resources required to perform it. It demonstrates how well the available resources are being used.

### ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a specified future expenditure.

### EXPENDITURE

An expenditure is, in simple terms, the payment for goods and services. In a cash budget such as the City of Bellevue's, expenditures are recognized only when the cash payments for the cost of goods received or services rendered are made.

### EXPENSE

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

## FINANCIAL POLICY

A government's conscious decision on the financial direction it wants to take regarding revenue, spending, and debt management in relation to government services, programs, and capital investment. Financial policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.

## FISCAL BIENNIUM

In accordance with Washington State Law (RCW 35A.34), a fiscal biennium is the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year (i.e., January 1, 2003 - December 31, 2004).

## FISCAL YEAR

A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization. The City of Bellevue's fiscal year is the same as the calendar year.

## FIXED ASSETS

Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

## FULL-TIME EQUIVALENT (FTE)

The acronym "FTE" stands for Full-Time Equivalent and represents the measure by which the City accounts for its staffing. A regular City employee working a standard 40-hour week is counted as 1.0 FTE; a regular City employee working fewer than 40 hours per week is counted as a portion of an FTE (e.g., 30 hours a week is counted as 0.75 FTE).

## FUND

Governmental accounting systems are organized and operated on a fund basis. A fund is an independent financial and accounting entity with a self-balancing set of accounts in which financial transactions relating to resources, expenditures, assets, and liabilities are recorded. Funds are established to account for the use of restricted revenue sources and, normally, to carry on specific activities or pursue specific objectives. Funds may be established by the State Constitution, State statute, City Charter, City ordinance, or Finance Director.

## FUND BALANCE

The difference between resources and expenditures.

## GAAP

Generally Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules and procedures that define accepted accounting principles.

## GENERAL CIP REVENUE

General CIP Revenue is defined as the revenue dedicated to CIP use derived from the 0.5% local optional sales tax, 0.03% business and occupation tax, interest earnings on unexpended balances, and any miscellaneous unrestricted revenues. General CIP Revenue is allocated to each non-utility program area based on overall priorities.

GENERAL OBLIGATION (G.O.) BOND

This type of bond is backed by the full faith, credit, and taxing power of the government.

GRANTS

A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantor.

INDIRECT SERVICES OVERHEAD

Cost of centrally-provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments (e.g., financial services).

INFRASTRUCTURE

The physical assets of a government (e.g., streets, water, sewer, public buildings, and parks).

INTERFUND SERVICES REVENUE

The term "interfund" refers to transactions between individual funds of the City of Bellevue (rather than transactions between the City and private companies, other governments, or vendors). From a budgeting and accounting perspective, the service receiver must budget and pay for the service received. The service provider will budget for the cost of providing the service and receive revenue in the form of a payment from the service receiver. Interfund revenues can be either payment for intracity services or contributions of revenue from one City organization to another. Examples of interfund revenues include equipment rental charges, self-insurance premiums, and contributions for debt service obligations. As can be seen from this description, interfund activities inflate both expenditures and revenues; this causes what we refer to as "double budgeting".

INTERGOVERNMENTAL REVENUE

Funds received from federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.

INTERNAL SERVICE CHARGES

The charges to user departments for internal services provided by another government agency, such as data processing or insurance funded from a central pool.

LAPSING APPROPRIATION

An appropriation made for a certain period of time, generally for the budget biennium. At the end of the specified period, any unexpected or unencumbered balance lapses or ends, unless otherwise provided by law.

LEADERSHIP TEAM

The City's administrative decision-making body consisting of all department heads, the deputy and assistant city managers, and the City Manager.

LEOFF I

The acronym "LEOFF I" stands for Law Enforcement Officers and Firefighters I retirement program.

LEVY

To impose taxes for the support of government activities.

LIMITED-TERM-EMPLOYEE (LTE)

The acronym "LTE" stands for Limited Term Employee and represents an individual hired full or part-time for a specific project or purpose with an employment period not to exceed three years.

LINE-ITEM BUDGET

A budget prepared along departmental lines that focuses on what is to be bought.

LONG-TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

M&O (MAINTENANCE AND OPERATING) COSTS

Expenditure category that represents amounts paid for supplies (e.g., office supplies, repair and maintenance supplies, minor equipment, and software), and other services and charges (e.g., ongoing contracts, professional services, communications, rent, utilities, and intergovernmental services).

MAINTENANCE OF CURRENT SERVICE LEVELS

A budget concept aimed at identifying the additional level of resources needed in a particular budgetary period to provide the same quality level of service as was provided in the prior budgetary period. Factors which might affect the cost of maintaining a current service level from year to year include inflation and mandatory cost changes, and changes in service volumes.

NET BUDGET

The legally adopted budget less double-budgeted items such as interfund transfers and interdepartmental charges.

NONOPERATING/SPECIAL PURPOSE FUND

A budgeting, accounting, and reporting entity established to receive revenues typically of a noncontinuing nature and to make expenditures for noncontinuing projects or programs. It usually has a short-term life, after which the fund will be disbanded. Although budgets may be established on an annual or biennial basis, appropriations are nonlapsing and continue from biennium to biennium.

OBJECT OF EXPENDITURE

An expenditure classification, referring to the lowest and most detailed level of classification, such as electricity, office supplies, land, or furniture.

OBJECTIVE

Something to be accomplished in specific, well-defined, and measurable terms and that is achievable within a specific time frame.

OBLIGATIONS

Amounts which a government may be legally required to pay out of its resources. They include not only actual liabilities, but also encumbrances not yet paid.

OPERATING COSTS

Operating costs (also called maintenance and operating costs or m&o costs) are planned expenditures, covered in the City's Operating Budget, for conducting continuing service programs based at the physical facilities constructed, reconstructed, or acquired by the Capital Investment Program. For example, the costs of personnel and supplies for maintaining a park property once it is constructed are "operating costs," while the costs of constructing the park itself are capital costs. Another example of an operating cost would be the necessity of paying for electricity to run a traffic signal once a CIP-financed intersection has been constructed.

OPERATING FUND

Operating funds have biennially-established balanced budgets which lapse automatically at the end of the fiscal biennium. These funds carry on the traditional service operations of a municipality.

OPERATING EXPENDITURES

The cost of personnel, materials, and equipment required for a department to function.

OPERATING REVENUE

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

OPERATING TRANSFERS

Amounts transferred from one fund to another to assist in funding the services for the recipient fund.

PAY-AS-YOU-GO BASIS

A term used to describe a financial policy by which capital outlays are financed from current revenues rather than through borrowing.

PERFORMANCE BUDGET

A budget wherein expenditures are based primarily upon measurable performance of activities and work programs.

PERFORMANCE MEASURE

An indicator which measures the degree of accomplishment of an activity. The three types used in the City of Bellevue are:

- Effectiveness - the degree to which performance objectives are being achieved.
- Efficiency - the relationship between work performed and the resources required to perform it. Typically presented as unit costs.
- Workload - a quantity of work performed.

## PERFORMANCE INDICATORS

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

## PERSONNEL

Expenditure category that represents amounts paid for personal services rendered by employees (e.g., salaries and overtime pay) and benefits paid by the City.

## POLICY

A policy is a guiding principle which defines the underlying rules which will direct subsequent decision-making processes.

## PROGRAM

A group of related activities and projects which seek to accomplish a common objective.

## PROGRAM AREA

The CIP can be described as having eleven program areas. They are: Transportation, Parks, General Government, Public Safety, New City Hall, Community and Economic Development, Neighborhood Enhancement Program, Neighborhood Investment Strategy, Water, Sewer, and Storm Drainage. Three program areas are further segmented into established project categories as follows: Transportation (Roadways, Intersections, Walkways/ Bikeways, and Maintenance/Minor Capital); Parks (Park Acquisition and Development and Park Redevelopment); and Community and Economic Development (Community Development and Economic Development).

## PROGRAM BUDGET

A method of budgeting whereby the services provided to the stakeholders are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

## PROGRAM REVENUE

Revenues earned by a program, including fees for services, licenses and permits, and fines.

## PROJECT COST

The project cost is an estimate of the resources required to complete the capital project as described on the project description page. Many of the project costs shown in the CIP Plan are preliminary in nature since no significant engineering has been done which would allow for more specific estimates to be produced. Most cost estimates are produced using rule-of-thumb approximations as opposed to specific lists of materials.

## PROJECT PRIORITIZATION CRITERIA

Individual capital projects are ranked by priority which has an impact on funding and scheduling in the CIP Plan. In the review process, department staff, with input from Councilmembers, boards and commissions, and other interested groups, identify factors which would make one project of higher priority than another. These factors are termed project prioritization criteria.

## PUBLIC HEARING

A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the City Council on a particular issue. It allows interested parties to express their opinions and the City Council and/or staff to hear their concerns and advice.

## RCW

The acronym "RCW" stands for Revised Code of Washington which is Washington State Law.

## RESERVE

An account used either to set aside budgeted resources that are not required for expenditure in the current budget biennium or to earmark resources for a specific future purpose.

## RESOLUTION

A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.

## RESOURCES

Total dollars available for appropriation, including estimated revenues, interfund transfers, other financing sources such as the sale of fixed assets, and beginning fund balances.

## RESTRICTED/UNRESTRICTED REVENUE

A revenue is considered restricted when its receipt is either based upon the reasonable expectation that fees or charges paid to the City will be utilized to provide a specific product, service, or capital asset to the payor, or their receipt is directly tied to an expenditure. Revenue is also considered restricted when voters or the City Council has designated it for a specific purpose by ordinance or resolution. Revenues not designated restricted are considered unrestricted.

## REVENUE

Sources of income received during a fiscal year, operating transfers from other funds, and other financing sources such as the proceeds derived from the sale of fixed assets.

## REVENUE BOND

A type of bond backed only by the revenues from a specific enterprise or project, such as a utility.

## SERVICE LEVEL

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

## SOURCE OF REVENUE

Revenues are classified according to their source or point of origin.

TAXES

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.

TRAINING POOL EMPLOYEE

An employee who is hired into a position created for the purpose of training for a regular position of the City. This classification is typically used for positions that required extensive training such as police officers or dispatchers.

TRANSITIONAL EMPLOYEE POSITION

An employee who is hired into a position created for the purpose of training for a regular position when the incumbent has submitted a resignation or the manager knows the position will be vacant within a year.

UNCOMMITTED RESOURCES

The net resources available after meeting the estimated cost of providing existing levels of service which may be used to support new or qualitatively expanded service programs or resource reductions.

UNDESIGNATED FUND BALANCE

The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.

USER CHARGES

The payment of a fee for direct receipt of a public service by the party who benefits from the service.

UTILITY SERVICES

A term used to describe services provided by Bellevue's three self-supporting utility funds: Sewer, Storm & Surface Water, and Water.

VARIABLE COST

A cost that increases/decreases with increases/decreases in the amount of service provided such as the payment of a salary.

WORKLOAD MEASURE

A unit of work accomplished (e.g., number of permit applications reviewed, the number of households receiving refuse collection service, or the number of burglaries investigated).

## D. LOCATING ADDITIONAL BUDGET AND FINANCIAL INFORMATION

The City of Bellevue publishes a number of documents that provide information about the City's finances. Some of the more important documents that might be of interest include:

- The 2005-2006 Budget in Brief contains highlights of the 2005-2006 Budget, including the Budget transmittal letter and high level summary information.
- The Comprehensive Annual Financial Report (CAFR) presents the year-end financial status and results of operations for each of the City's funds, as well as various statistical and demographic information about the City of Bellevue.
- Quarterly Monitoring Reports discuss the status of operating and CIP resources and expenditures each quarter including a year-end projection of probable outcomes.
- Annual Performance Report shows selected performance measures for all departments. This document shows target and actual performance for the year, where actual performance has met or exceeded the target, and describes steps being taken to improve performance.
- ICMA Comparative Cities Report compares Bellevue's performance to other cities nationwide.
- Our financial reports can be found at <http://www.cityofbellevue.org/page.asp?view=2606> .

Requests for any of these documents or inquiries about other financial programs of the City of Bellevue should be directed to:

Ms. Jan Hawn  
Finance Director  
City of Bellevue  
P.O. Box 90012  
Bellevue, WA 98009-9012  
Phone: (425) 452-6846  
Fax: (425) 452-6163

or

Mr. Rich Siegel  
Performance and Outreach Coordinator  
City of Bellevue  
P.O. Box 90012  
Bellevue, WA 98009-9012  
Phone: (425) 452-7114  
Fax: (425) 452-6163

## Executive Summary

---

This chapter presents a high level summary of the key components of the 2005-2006 Budget. More detailed revenue and expenditure information can be found in other chapters of this document.

The Executive Summary is organized into the following sections:

### **A. General Fund Financial Forecast Summary**

This section provides a brief overview of the 2005-2006 General Fund Financial Forecast.

### **B. Utility Funds Financial Forecast Summary**

This section provides a brief overview of the 2005-2006 Utility Funds Financial Forecast.

### **C. Parks Enterprise Fund Financial Forecast Summary**

This section provides a brief overview of the 2005-2006 Parks Enterprise Fund Financial Forecast.

### **D. Development Services Fund Financial Forecast Summary**

This section provides a brief overview of the 2005-2006 Development Services Fund Financial Forecast.

### **E. Budget Summary**

This section presents summary resource and expenditure budget and trend information through the use of graphs and tables for the total City budget and its subcomponents (i.e., operating, special purpose, and capital investment program funds).

### **F. Debt Information**

This section presents information about Bellevue's total general obligation debt capacity, current general obligation and revenue bond debt, and annual debt service requirements.

## A. GENERAL FUND FINANCIAL FORECAST SUMMARY

The General Fund Financial Forecast (the Forecast) illustrates that our revised revenue base will be able to maintain the City's existing quality and mix of services through 2007. The Forecast builds upon the proposed 2005-2006 mix and level of resources and services and calculates future resource and expenditure estimates based on recent and anticipated economic trends. The expenditure reductions produced through the 2005-2006 budget process, in conjunction with revenue enhancements, provides a balanced budget in 2005-2006.

The following summarizes the results of the forecast analysis:

1. **Summary** – While the short-term financial outlook is positive, the long-term financial outlook includes projected shortfalls in 2008 through 2010. These shortfalls are largely the product of continued high rates of growth in expenditures, such as health benefits and State pension contributions, coupled with a loss of B&O taxing authority in 2008.
2. **Economic Outlook** – The Forecast assumes a continued slow economic recovery. Revenues will recover at different rates, depending on their sensitivity to key factors such as employment, inflation, and personal income. These key factors affect retail sales, vacancy rates, and new development.

Job growth is expected to climb to 2.5% in 2005 and level off around 2.2% in 2006. Prospects for additional new jobs remain encouraging in the near future, and the long-term outlook anticipates an average growth of 2.3% through the Forecast period. As the economy continues to recover, retail sales are expected to improve and grow at a moderate pace (an average of 6.2%), exceeding growth rates of the last biennium. Accordingly, the Forecast anticipates a modest increase in sales tax revenue beginning in 2006. As the recovery continues and employment growth increases, businesses relocating in the Central Business District (CBD), along with new construction and growth, will continue to lift Bellevue from recession through the Forecast period. New development growth positively impacts property tax and sales tax. Declining office vacancy rates and new commercial development positively impact business and occupation (B&O) tax and utility taxes.

3. **Budget Growth** – Proposed budget modifications, which include budget reductions as well as revenue enhancements, will bring the budget into balance for 2005 and 2006. The Forecast projects that revenues will exceed expenditures by 2007. This surplus will reverse to a deficit in 2008 due to the impact of B&O apportionment, but diminishes to \$100,000 by 2010. The average annual expenditure growth rate is 3.7% over the forecast period.

See Chapter 5 - Financial Forecasts for more information on the 2005-2010 General Fund Financial Forecast.

## B. UTILITY FUNDS FINANCIAL FORECAST SUMMARY

The financial forecasts for the City's Water, Sewer, and Storm & Surface Water Utility funds reflect Utility financial policies regarding reserve management, capital reinvestment and rate planning.

Significant issues expected to impact the Utilities now and in the future are:

1. **King County/METRO Wastewater Treatment Costs.** On June 14, 2004, the King County/METRO Council adopted an increase in the wastewater treatment rate of 9.4% (from \$23.40 to \$25.60) per month/equivalent residential unit. By Council policy, wholesale cost increases are passed through to the customer. The current forecast includes the impact of the adopted 2005 rate increase and projected rate increases through 2010.
2. **Cascade Water Alliance.** Effective January 1, 2004, the City of Bellevue signed a new water purchase arrangement with the Cascade Water Alliance (CWA) and relinquished its existing contract with Seattle. The new arrangement with CWA had an impact on how Bellevue reserves for operating contingencies and on the amount of total water charges from CWA, which are expected to be lower than costs currently budgeted in 2004.
3. **Pavement Restoration.** When repairs are made to the City's utilities located in paved roads, the pavement must be restored. The long-standing practice has been for Bellevue Utilities to install pavement patches only slightly larger than the area of disturbance. Utilities have infrequently performed more extensive pavement restoration by "grind and overlay" when a road has been recently overlaid or when the Transportation Department specifically requested it in response to premature pavement degradation. Transportation is requesting that Utilities follow Bellevue City Code, the Transportation Design Manual requirements, and the general policy of restoration by grind and overlay in all cases where the road is in good condition as determined by the Pavement Management Rating System. This policy is intended to extend the useful life of the road, and is in place for all others (franchise utilities, developers, private citizens, etc.) performing work in the right-of-way.
4. **Stormwater National Pollutant Discharge Elimination System (NPDES) Permit.** In order to protect water quality, the federal Clean Water Act (CWA) established a requirement for municipalities to obtain a permit to discharge stormwater called the National Pollutant Discharge Elimination System (NPDES) permit. The Environmental Protection Agency (EPA) designated the Washington State Department of Ecology as the permitting authority. NPDES permits are scheduled for issuance to local jurisdictions in 2005. Once obtained, the permit assures certain management practices are in place and also provides legal protection for the municipality from 3rd party lawsuits for stormwater discharges.
5. **Endangered Species Act (ESA).** This effort would seek compliance with the Endangered Species Act for the array of municipal stormwater management activities provided by the entire City organization. Work with the National Oceanic and Atmospheric Administration (NOAA) Fisheries, the US Fish and Wildlife Service, the State of Washington, Tribes, local governments and other stakeholders would be involved. A Water Resource Inventory Area (WRIA) salmon conservation plan and Puget Sound Salmon Recovery Plan will lead to identification of projects, programs, responsibilities, timelines and funding requirements. The budgetary impact of such a plan will not be known until 2007. No funding placeholder has been included in the current forecast.

- 6. Coal Creek Lawsuit Settlement Agreement.** In 2003 the Newport Shores Yacht Club and a private citizen jointly sued the City and King County for violations of the Clean Water Act and Endangered Species Act and a nuisance claim related to sedimentation. A settlement agreement was reached that dedicates funding towards resolving problems versus costly litigation. This agreement addresses long-term issues that affect Lake Washington and Newport Shores. Part of the settlement agreement includes a package of capital projects throughout the basin, intended to reduce the amount of upstream erosion. This suite of projects will stabilize upstream slopes, reduce erosion, and capture sediment that is transported. They will help reduce downstream sedimentation and preserve the flood control functions of downstream facilities, as well as improve stream conditions for fish. These projects are included as new projects in the 2005-2011 CIP.
- 7. Renewal & Replacement Funding.** Bellevue Utilities recently completed two studies that drew upon worldwide studies of infrastructure life and additional Bellevue system condition information to refine the assumptions used to develop the original Renewal & Replacement (R&R) plan. The engineering firm of Black & Veatch (B&V) evaluated the Utilities infrastructure condition and replacement needs, and Financial Consulting Solution Group (FCSG) assisted in the funding and sensitivity analysis. These studies determined that replacement costs for existing infrastructure are understated, that the R&R plan should include all utility infrastructure, and that assets are expected to last longer than had previously been assumed. The first two findings are expected to increase R&R funding needs significantly. This increase will be mitigated somewhat by the newly developed useful lives and survival curves, which indicate that assets are expected to last longer than earlier projected.

In addition to the above adjustments to the existing R&R assumptions, the B&V study endorsed a long-term vision for significantly increasing condition assessment (i.e., cleaning and video inspection of pipe), especially for the Storm & Surface Water system, since condition of the system is largely unknown at this time. Growing the condition assessment programs would require several years and additional funding. Enhanced condition assessment may result in additional or accelerated capital needs, depending on the findings of the condition assessment programs. It is anticipated that a third-phase refinement of R&R assumptions will be carried out in another decade when condition assessment programs have reached maturity.

- 8. New Capital Projects.** There are several capital projects highlighted as being high priority during this forecast period. These include infrastructure replacement projects, projects to meet capacity in the CBD area, projects to meet regulatory requirements, and projects to address flooding problems.

See Chapter 5 – Financial Forecasts for more information on the 2005-2010 Utility Financial Forecast.

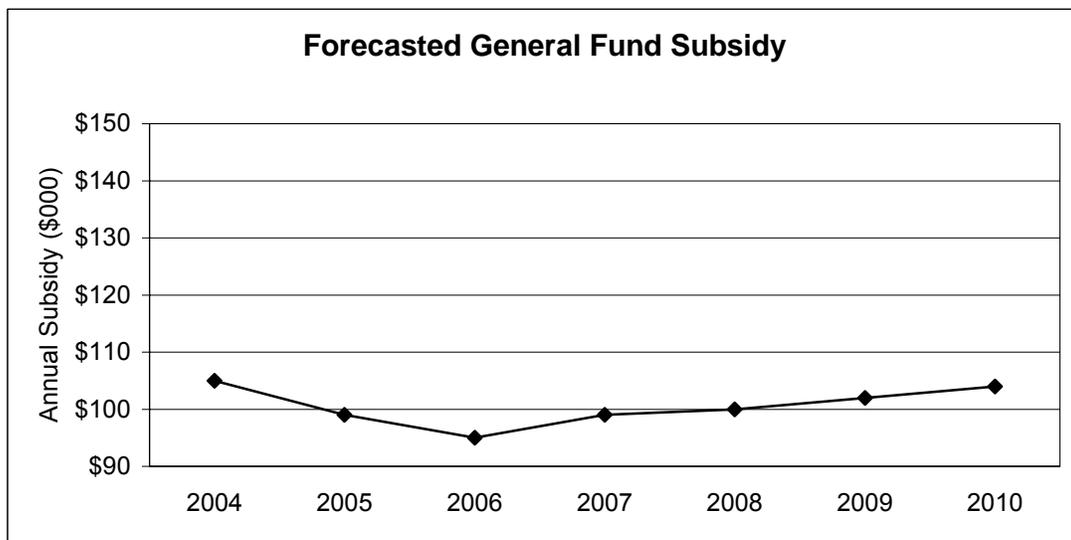
## C. PARKS ENTERPRISE FUND FINANCIAL FORECAST SUMMARY

### Introduction

The Parks Enterprise Fund accounts for the services provided by the Enterprise Program within the Parks & Community Services Department. These services include golf, tennis, aquatics, adult sports, and facility rentals. Enterprise Programs are primarily supported through user fees but attempt to serve all residents regardless of ability to pay through the use of scholarships, sponsorships and fee waivers. The Parks Enterprise Fund receives a subsidy payment from the General Fund to ensure that programs are accessible to all Bellevue residents.

### General Fund Subsidy

- The forecast shows that the Parks Enterprise Fund can continue to maintain the General Fund Subsidy at about \$100,000 per year.
- The graph below shows the forecasted subsidy payment from the General Fund:



- The Aquatic Center continues to be the main driver behind the need for a General Fund Subsidy throughout the forecast period. Due to the nature of the Aquatic Center programs and facility clientele, the majority of services provided at this facility are not “Full Cost Recovery” services. Most of these services recover only the direct program costs in an effort to provide affordable and accessible programs to youth and physically challenged participants. In addition to the General Fund subsidy, approximately \$300,000 of other Parks Enterprise Fund revenues are needed to support the Aquatic Center operation each year. Overall, this level of subsidy is consistent with the financial performance that was anticipated in 1995 when the City took over the pool.

## **Parks Enterprise Fund Reserves**

Parks Enterprise Fund reserves will be managed within the targeted reserve level of roughly \$575,000 to \$700,000 over the forecast period. The targeted reserve level is set at two months' operating expenses.

## **Enterprise Capital Improvements**

The Parks Enterprise program funds the Enterprise Facility Improvements Project (CIP project P-R-2), including capital projects at the Bellevue Golf Course. In 1999, the City acquired the 2.79-acre Miller Property primarily to protect the golf course maintenance facility hours of operations from residential development directly adjacent to the maintenance facility. Reduction in maintenance hours would have resulted in a loss of playable hours and significantly impacted golf course revenues. The City committed to using the Enterprise CIP fund and golf course greens fees to purchase the property for \$800,000. A cash down-payment of \$100,000 was paid at closing, and a \$700,000 balloon payment was due in September 2004. The contract allows the City up to six months (or until March 2005) to secure financing for this balloon payment.

This Financial Forecast and the City's 2005-2011 Capital Investment Program Plan includes the funding needed to make the final balloon payment for the Miller property in 2005. Consistent with City cost recovery policy, the Parks Enterprise Fund will repay the General CIP for this balloon payment over approximately 10 years. This approach will continue to protect the viability of the golf course operations, while allowing for the ongoing renovation of the Bellevue Golf Course and the ongoing subsidy of the Aquatic Center. In addition, the Department will explore opportunities to use this asset in the most productive way possible, including potential City partnerships or lease agreements which are compatible with our overall interest in protecting the viability of the Parks Enterprise Fund.

## **Budget Assumptions and Issues**

Below are the major assumptions used in developing the 2005-2010 forecast:

- Parks Enterprise Fund revenues are assumed to increase at the same rate as expenditures from 2005-2010, or roughly 4.0% per year.
- City Council will be discussing pricing and resident/non-resident access policies as part of the Recreation Program Plan Update. While this could impact the pricing strategy and customer base for Enterprise Programs, no fundamental policy changes have been incorporated into this forecast update.
- The Parks Enterprise CIP includes \$700,000 for the balloon payment for the Miller property in 2005.
- No new programs or capital investments were included in this forecast or the Parks Enterprise Fund budget.

See Chapter 5 - Financial Forecasts for more information on the 2005-2010 Parks Enterprise Fund Financial Forecast.

## D. DEVELOPMENT SERVICES FUND FINANCIAL FORECAST SUMMARY

The Development Services Fund forecast reflects a moderate economic recovery in development activity. Increased development activity in the early years of the forecast (2005-2006) illustrates the impact of the restart of stalled projects and the addition of new major projects. Additional staffing and contracted services were added in response to this rapid increase in activity. Beginning in 2007, development activity levels stabilize and reflect moderate growth throughout the forecast period.

### 2005-2010 Outlook

Office vacancy rates in the central business district are a key indicator of the interest in development activity. While these rates have fallen from 22.0% to 10.8% in the last year, which would typically indicate that development activity will escalate, the number of design review applications received (an early indicator of development activity) remains flat. In addition, as interest rates begin to rise, the demand for single family additions and remodel projects may slow down. As a result, the forecast reflects moderate growth in development fees and does not assume a continuation of the volume of major projects.

### Forecast Drivers and Assumptions

- 1) The following major projects are assumed to be substantially completed in the early years of the forecast:
  - Lincoln Square
  - The Summit Building (2<sup>nd</sup> Tower)
  - Overlake Hospital Medical Center Expansion
  - New City Hall Renovation
- 2) A significant spike in new major projects is not assumed beyond 2006.
- 3) The forecast reflects the addition of 10 LTEs, added in 2004 and estimated to expire in 2007, to address the short-term increase in workload associated with the major projects.
- 4) A comprehensive Cost of Service Study will be conducted in 2005. Development fees may be adjusted to assure they are set accordingly to meet cost recovery objectives endorsed by Council. This forecast assumes that fees will grow at the rate of inflation (2.7%).
- 5) The FTE count was reduced by 1.0 in the Building Division in 2005 reflecting accelerated cost savings due to the Enterprise Resource Planning (ERP) system.

### Development Services Fund Reserves

The Development Services Fund maintains reserves to assure that core staffing levels are balanced with cyclical needs, thus mitigating the effects of downturns, and to account for prepaid building fees and development services deposits. The prepaid workload liability can extend for three years or more throughout the life of a project.

Development Services Fund reserves are anticipated to fall from \$6.3 million in 2004 to \$5.3 million in 2006. This reflects the anticipated completion of the major projects in the early years of the forecast period. Reserve levels stabilize at approximately \$5.3 million from 2006 through 2010 and are sufficient to cover an unanticipated increase in activity.

See Chapter 5 – Financial Forecast for more information on the 2005-2010 Development Services Fund Forecast.

## E. BUDGET SUMMARY

The remaining part of the Executive Summary presents 2005-2006 Budget information primarily through the use of tables and graphics.

### **Total City Budget**

The gross total City budget figures are presented in this section.

Figure 3-1 on the following page summarizes the budget from both a total City budget perspective and from the operating budget, special purpose budget, and capital investment program budget perspectives. Further breakdown within each fund category is provided. Figures at the bottom of the table are presented “net of double budgeting” to give a more accurate representation of the size of the total City budget. Double budgeting is the result of transactions between funds that inflate the budget because expenditure and revenue dollars are budgeted twice, once in each fund’s budget.

Looking at the total City budget shows that the 2005-2006 Budget totals \$982.4 million. The growth between the 2003-2004 and the 2005-2006 Budgets is \$51.0 million, or 5.5%.

Figure 3-2 shows the 2005-2006 total City budget resources by source and expenditures by department with comparisons to the 2003-2004 Budget.

Additional comments on the components of the total City budget are provided within the separate operating budget, special purpose funds budget, and capital project budget sections of this chapter.

Figure 3-1

**Budget Summary**  
**\$000**

<b>Total City Budget</b>	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Operating Funds</b>				
General	\$234,220	\$249,894	\$15,674	6.7%
Utilities	146,596	166,266	19,670	13.4%
Development Services	32,956	36,558	3,602	10.9%
Parks Enterprise	8,053	8,397	344	4.3%
Internal Services	67,207	72,137	4,930	7.3%
Reserve/Other	98,791	102,081	3,290	3.3%
<b>Total Operating Budget</b>	<b>\$587,823</b>	<b>\$635,333</b>	<b>\$47,510</b>	<b>8.1%</b>
<b>Special Purpose Funds</b>				
Grants	\$17,825	\$16,396	(\$1,429)	(8.0%)
Debt Service	25,562	29,849	4,287	16.8%
Trust/Other	10,030	10,791	761	7.6%
<b>Total Special Purpose Budget</b>	<b>\$53,417</b>	<b>\$57,036</b>	<b>\$3,619</b>	<b>6.8%</b>
<b>Capital Project Funds</b>				
2004 City Hall Bond Proceeds	\$104,371	\$74,812	(\$29,559)	(28.3%)
General Capital Investment Program	149,540	167,639	18,099	12.1%
Utility Capital Investment Program	36,234	47,589	11,355	31.3%
<b>Total Capital Project Fund Budget</b>	<b>\$290,145</b>	<b>\$290,040</b>	<b>(\$105)</b>	<b>0.0%</b>
<b>Total City Budget</b>	<b>\$931,385</b>	<b>\$982,409</b>	<b>\$51,024</b>	<b>5.5%</b>

**2005-2006 Net City Budget**

For analytical and comparison purposes, the budget is adjusted to remove internal transactions between City

- Adjusted for internal transfers (e.g., General CIP contribution from the General Fund) between City funds, the net City budget is: \$841,256
- Adjusted for charges for services provided by one department to another (e.g., information technology services), the net City budget is: \$788,307

Figure 3-2

**2005-2006 Total City Budget  
Resources by Source and Expenditures by Department**

**\$000**

	Operating Funds		Special Purpose Funds	
	2003-2004 Budget	2005-2006 Budget	2003-2004 Budget	2005-2006 Budget
<b><u>BEGINNING FUND BALANCE</u></b>	\$94,716	\$102,511	\$30,386	\$25,803
<b><u>REVENUES BY SOURCE</u></b>				
Property Tax	50,668	51,721	5,050	2,962
Sales Tax	54,223	61,691	200	1,810
Business & Occupation Tax	28,297	31,646	0	0
Utility Taxes	40,046	41,217	0	0
Other Taxes	14,239	16,769	0	0
Grants	0	31	3,364	1,938
Intergovernmental Services	27,635	28,927	207	254
Charges for Services	73,413	79,133	0	34
Utility Services Fees	131,194	147,747	0	0
Miscellaneous Revenues	50,899	58,922	4,466	4,533
Operating Transfers	22,493	15,018	9,744	19,702
<b>Total Revenues</b>	<b>\$493,107</b>	<b>\$532,822</b>	<b>\$23,031</b>	<b>\$31,233</b>
<b><u>TOTAL RESOURCES</u></b>	<b><u>\$587,823</u></b>	<b><u>\$635,333</u></b>	<b><u>\$53,417</u></b>	<b><u>\$57,036</u></b>
<b><u>EXPENDITURES BY DEPARTMENT</u></b>				
City Attorney	\$4,979	\$12,962	\$0	\$0
City Clerk	2,945	3,016	0	0
City Council	678	717	0	0
City Manager	3,538	2,921	0	0
Community Councils	62	66	0	0
Finance	21,694	16,441	25	15
Fire	50,726	55,278	1,047	1,533
Hotel/Motel Taxes	9,248	10,215	1,034	1,234
Human Resources	25,937	32,240	0	0
Information Technology	19,245	20,737	100	0
Miscellaneous Non-Departmental	3,930	5,521	400	1,331
Planning & Community Development	38,602	43,011	3,185	3,918
Parks & Community Services	58,414	64,158	6,603	4,467
Police	64,096	66,592	813	714
New City Hall	0	0	5,527	21,500
Transportation	41,640	43,518	3,884	2,787
Utilities	151,618	163,048	5,107	3,744
<b>Total Expenditures By Department</b>	<b>\$497,352</b>	<b>\$540,441</b>	<b>\$27,725</b>	<b>\$41,243</b>
<b><u>ENDING FUND BALANCE*</u></b>	<b><u>\$90,471</u></b>	<b><u>\$94,892</u></b>	<b><u>\$25,692</u></b>	<b><u>\$15,793</u></b>
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>\$587,823</u></b>	<b><u>\$635,333</u></b>	<b><u>\$53,417</u></b>	<b><u>\$57,036</u></b>

\*The Budgeted Ending Fund Balance is not in agreement with the next biennium Budgeted Beginning Fund Balance because the budget estimates were developed at different times and actual over/under revenue collections and/or actual over/under expenditures will cause them to be different.

Capital Funds		Total Budgets			
2003-2004 Budget	2005-2006 Budget	2003-2004 Budget	2005-2006 Budget	\$ Change	% Change
\$19,759	\$79,996	\$144,861	\$208,310	\$63,449	43.8%
0	0	55,718	54,683	(1,035)	(1.9%)
23,155	23,649	77,578	87,150	9,572	12.3%
10,741	11,319	39,038	42,965	3,927	10.1%
0	0	40,046	41,217	1,171	2.9%
13,098	17,078	27,337	33,847	6,510	23.8%
7,789	9,742	11,153	11,711	558	5.0%
15,484	4,036	43,326	33,217	(10,108)	(23.3%)
1,004	645	74,417	79,812	5,395	7.2%
3,524	2,631	134,718	150,378	15,660	11.6%
148,649	41,604	204,014	105,059	(98,956)	(48.5%)
46,942	99,340	79,179	134,060	54,881	69.3%
<u>\$270,386</u>	<u>\$210,044</u>	<u>\$786,524</u>	<u>\$774,099</u>	<u>(\$12,425)</u>	<u>(1.6%)</u>
<b><u>\$290,145</u></b>	<b><u>\$290,040</u></b>	<b><u>\$931,385</u></b>	<b><u>\$982,409</u></b>	<b><u>\$51,024</u></b>	<b><u>5.5%</u></b>
\$0	\$0	\$4,979	\$12,962	\$7,983	160.3%
21	364	2,966	3,380	414	14.0%
0	0	678	717	39	5.7%
0	0	3,538	2,921	(617)	(17.4%)
0	0	62	66	4	6.5%
1,263	410	22,982	16,866	(6,116)	(26.6%)
1,451	1,643	53,224	58,454	5,230	9.8%
0	0	10,282	11,449	1,167	11.4%
0	0	25,937	32,240	6,303	24.3%
9,614	8,449	28,959	29,187	227	0.8%
2,054	1,331	6,384	8,183	1,799	28.2%
4,378	4,468	46,165	51,396	5,232	11.3%
24,619	23,949	89,637	92,574	2,937	3.3%
3,052	247	67,961	67,553	(408)	(0.6%)
57,731	155,839	63,258	177,339	114,082	180.3%
75,774	41,521	121,299	87,826	(33,473)	(27.6%)
24,407	20,010	181,131	186,802	5,671	3.1%
<u>\$204,364</u>	<u>\$258,231</u>	<u>\$729,442</u>	<u>\$839,915</u>	<u>\$110,474</u>	<u>15.1%</u>
<u>\$85,781</u>	<u>\$31,809</u>	<u>\$201,943</u>	<u>\$142,494</u>	<u>(\$59,450)</u>	<u>(29.4%)</u>
<b><u>\$290,145</u></b>	<b><u>\$290,040</u></b>	<b><u>\$931,385</u></b>	<b><u>\$982,409</u></b>	<b><u>\$51,024</u></b>	<b><u>5.5%</u></b>

Figure 3-3

**2005-2006 Total City Budget  
Expenditures by Category  
\$000**

Figure 3-3 shows the City's total expenditure budget by category and compares the 2003-2004 and 2005-2006 biennial budgets, including dollar and percentage change.

Personnel budget growth was \$26.7 million, or 11.9%, primarily as a result of salary increases resulting from inflation and merit increases, as well as increased medical benefit and workers' compensation costs.

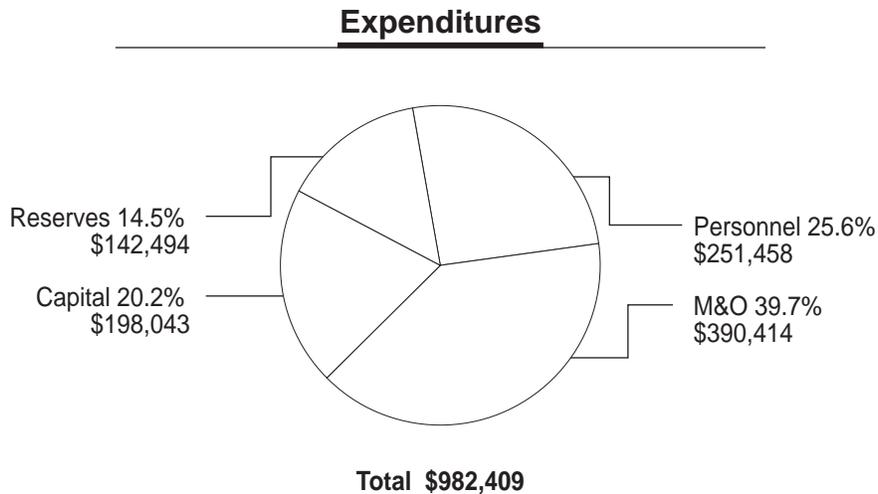
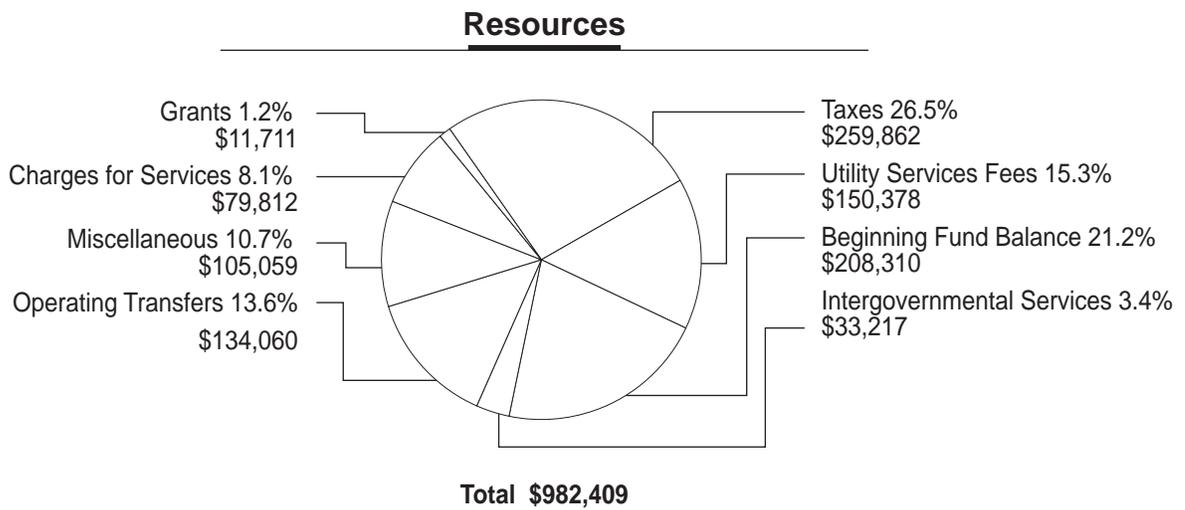
Overall, maintenance and operations (M&O) costs have grown roughly equal to inflation, although shifts between expenditure categories have occurred.

	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Personnel</b>				
Salaries	\$159,436	\$167,741	\$8,305	5.2%
Medical	37,070	47,552	10,482	28.3%
Pensions	13,932	18,698	4,766	34.2%
Temporary Help	5,822	6,257	435	7.5%
Other (Medicare, Workers' Comp, etc.)	1,809	4,299	2,490	137.6%
Overtime	6,673	6,911	238	3.6%
<b>Subtotal Personnel</b>	<u>224,742</u>	<u>251,458</u>	<u>26,716</u>	<u>11.9%</u>
<b>M&amp;O</b>				
Outside Services	72,015	67,782	(4,233)	(5.9%)
Interfund Service Payments	60,030	58,884	(1,146)	(1.9%)
Operating Transfer to Other Funds	89,101	137,780	48,679	54.6%
Supplies	36,753	34,287	(2,466)	(6.7%)
Other Services & Charges	19,008	21,866	2,858	15.0%
Debt Service	18,285	24,728	6,443	35.2%
Repairs and Maintenance	12,366	15,386	3,020	24.4%
Utilities	10,262	11,037	775	7.6%
Other Intergovernmental Services & Taxes	13,770	11,816	(1,954)	(14.2%)
Jail Costs	3,176	3,104	(72)	(2.3%)
Communication Services	2,359	2,186	(173)	(7.3%)
Travel/Training	1,492	1,558	66	4.4%
<b>Subtotal M&amp;O</b>	<u>338,617</u>	<u>390,414</u>	<u>51,797</u>	<u>15.3%</u>
<b>Capital Outlays</b>	166,082	198,043	31,961	19.2%
<b>Reserves</b>	<u>201,944</u>	<u>142,494</u>	<u>(59,450)</u>	<u>(29.4%)</u>
<b>Total City Budget</b>	<u><u>\$931,385</u></u>	<u><u>\$982,409</u></u>	<u><u>\$51,024</u></u>	<u><u>5.5%</u></u>

**Figure 3-4**  
**2005-2006 Total City Budget**  
**Resources by Source and Expenditures by Category**  
**\$000**

Figure 3-4 presents the 2005-2006 total city budget resources by source and expenditures by category. As the resources chart indicates, at \$259.9 million or 26.5%, taxes make up the largest piece of the "pie", followed by beginning fund balance at \$208.3 million, 21.2%.

On the expenditure chart, at \$390.4 million, M&O accounts for 39.7% of the expenditure budget, followed by personnel at \$251.5 million or 25.6%.



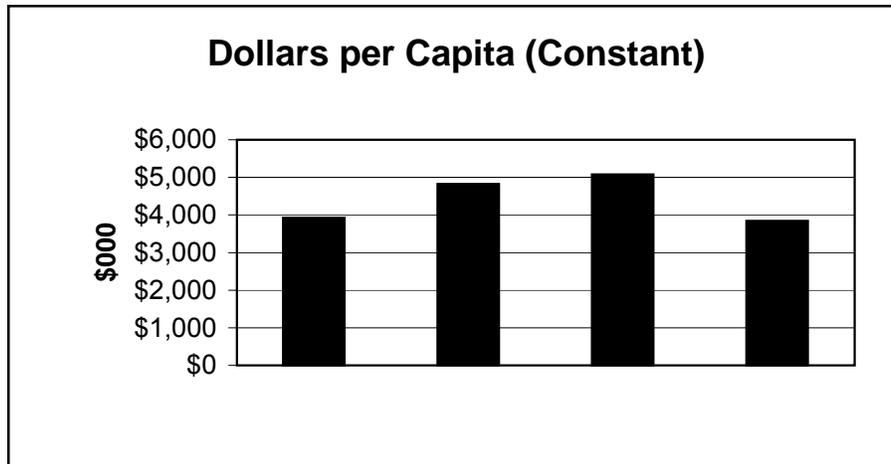
**Figure 3-5**

**Total Budget Comparison**  
**Constant Dollar Total Budget Per Capita**

---

Figure 3-5 displays a 2003 to 2006 comparison of the total city budget per capita on a constant dollar basis and shows the total city budget per capita fluctuating between \$3,930 in 2003 and \$3,840 in 2006.

The larger budgets in 2004 and 2005 are due primarily to capital costs associated with the New City Hall.



	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Total City Budget (\$000)	\$468,430	\$590,281	\$636,623	\$495,834
Budget in Constant (\$000)	\$457,452	\$561,839	\$594,649	\$452,730
Population	116,400	116,500	117,200	117,900
Total Budget per Capita	\$3,930	\$4,823	\$5,074	\$3,840

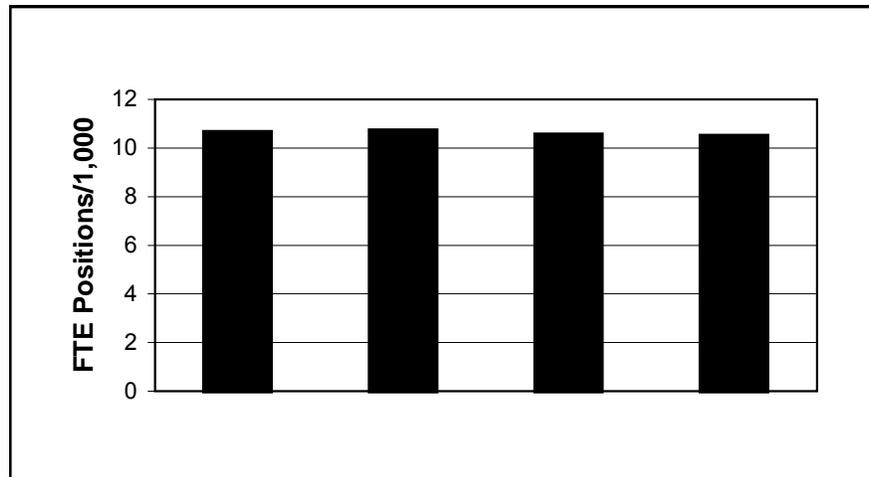
**Figure 3-6**

**Total Budget Position Trends  
Full-Time Equivalent Positions / 1,000 Population by Year**

---

Figure 3-6 presents the ratio of total City positions per 1,000 population for the period of 2003 through 2006.

Between 2004, 2005 and 2006, the population growth rate slightly exceeds the growth in FTEs. As a result, the annual positions/1,000 ratios decrease from 10.7 to 10.6 to 10.5 respectively. For more specific personnel information, please refer to Chapter 3 of the 2005-2006 Budget Detail volume.



	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Positions	1,240.5	1,248.0	1,236.5	1,237.3
Population	116,400	116,500	117,200	117,900
Positions/1,000	10.7	10.7	10.6	10.5

## **Operating Budget Highlights**

The Budget reflects both the opportunities and challenges of a slowly improving economy. Most local governments throughout the United States are still feeling the impact of the past recession. Bellevue is no exception. The City continues to monitor spending closely, defer maintenance in departments to keep costs down, hold vacant positions open, and regularly monitor spending in comparison to revenues.

Despite the economic volatility of the past three years, Bellevue staff continue to improve service delivery and provide a performance dividend for residents. During this time, the City of Bellevue has moved forward on many fronts including the New City Hall, Development Services Initiative, Enterprise Resource Planning System, Utilities Customer/Billing Information System, Parks Registration System, Downtown Implementation Plan, new water supply arrangement with Cascade Water Alliance and the Coal Creek Utility District assumption. Coupled with the move of our workforce to the New City Hall, these initiatives will position the City for the future and provide investment returns to Bellevue in the years to come.

The Budget continues to focus resources on core services, eliminates 14.64 existing FTEs and adds 4 new FTEs. The 4 positions added in the Parks and Community Services Department will support the planned opening of the new South Bellevue Community Center (SBCC) in January 2006. All of these position additions will be supported by program revenues from activities at the new center.

Operating fund highlights include:

- **Public Safety**

Public Safety remains a top priority for Bellevue's citizens. In an effort to reduce the Police Department's time spent on responses to false alarms, penalties for false alarm and code violations were increased. These changes will bring the City's Police false alarm fees in line with other cities, as well as with accepted alarm industry practices (last update occurred eight years ago).

- **Economic Development**

The 2005-2006 budget includes additional resources for enhancement to Bellevue's existing Economic Development activities, which will further position Bellevue as a regional economic center. This program will focus Bellevue's resources toward long-term economic and regional strategies aimed at stimulating economic growth and strengthening the local economy.

- **Ongoing Operating and Maintenance Costs for New Capital Projects**

The City places a high priority on maintaining its facilities. The 2005-2006 operating budget includes an additional \$2.5 million for new operating and maintenance costs for capital projects expected to come on line during the 2005-2006 biennium. Projects include the South Bellevue Community Center, Mobile Data Computers/Automated Vehicle Location (MDC/AVL), and the Finance and Human Resources system replacement project (ERP).

- **Utility Operations**

This Budget includes the following utility rate increases for 2005 and 2006:

	<u>2005</u>	<u>2006</u>
Water	3.7%	0.0%
Wastewater	12.0%	1.6%
Storm and Surface Water	9.4%	7.1%

Rate increases are needed to fund 1) pass-through increases in wholesale Metro/King County Sewer costs to customers, 2) new water supply agreement with Cascade Water Alliance, 3) pavement restorations, 4) compliance with the Federal Clean Water Act, 5) Coal Creek lawsuit settlement, 6) increased renewal and replacement requirements, and 7) additional capital needs.

As depicted in Figure 3-7, the 2005-2006 operating budget totals \$635.3 million. The operating budget in total grew \$47.5 million or 8.1%.

The City's General Fund is by far the largest fund, accounting for most of the City's day-to-day operations. The budget growth in the General Fund from the prior biennium is \$15.7 million or 6.7%.

The Utility Funds show a budget increase of \$19.7 million or 13.4% as compared to the 2003-2004 Budget. This increase is primarily attributable to pass-through rate increases in METRO sewer costs and increased contributions to the utility's Renewal and Replacement (R&R) reserves.

The Development Services Fund budget shows an increase from the prior biennium of \$3.6 million or 10.9%. This increase is attributable to the recent rapid increase in development activity.

The Parks Enterprise Fund 2005-2006 Budget has increased \$0.3 million or 4.3%, an increase roughly equal to the rate of inflation.

The Internal Services fund category grew by \$4.9 million or 7.3%, primarily due to additional costs associated with the New City Hall and the timing of capital replacements in the Mechanical Equipment and Replacement Fund.

The reserve/other fund category increased by \$3.3 million or 3.3%, primarily due to draw downs resulting from payments made in the Hotel/Motel Taxes and Land Purchase Revolving Funds for facilities.

Figure 3-7

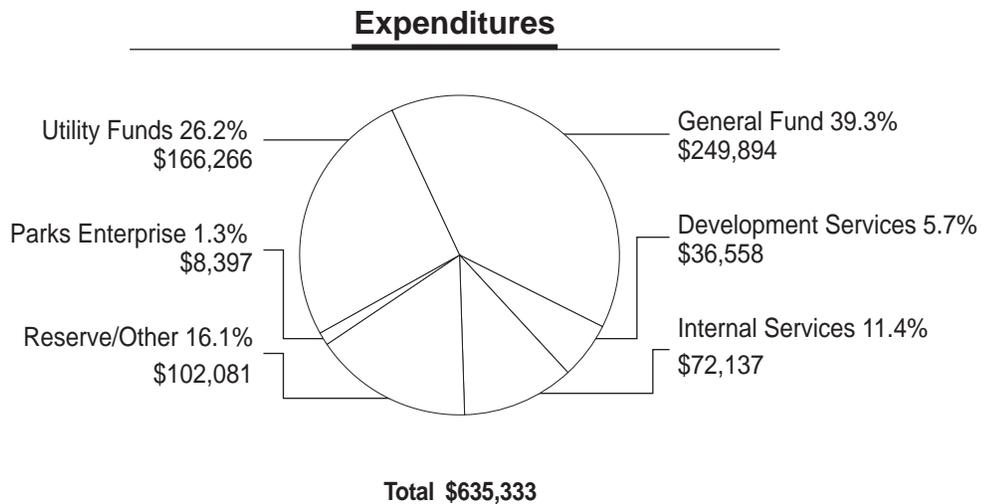
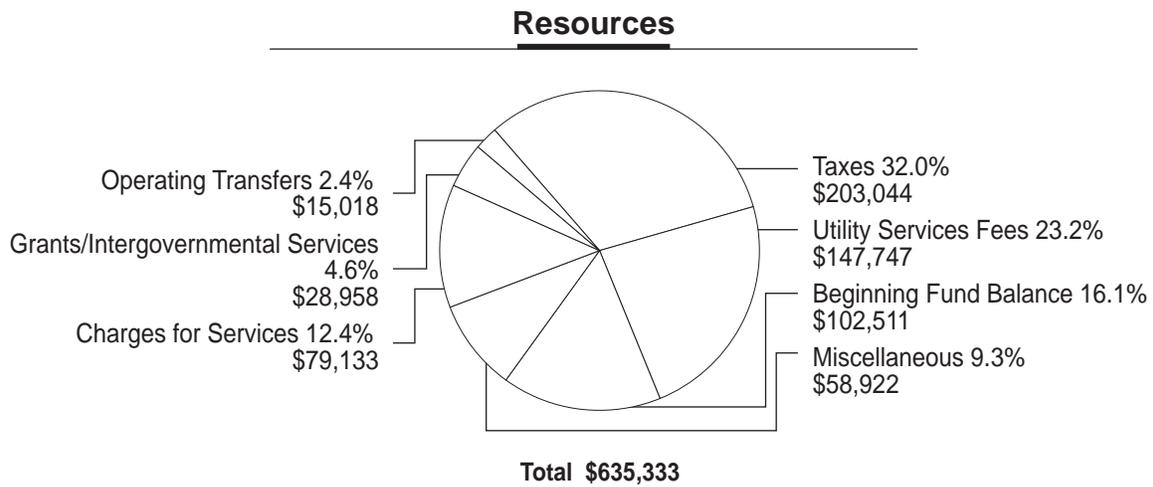
**2005-2006 Total Operating Budget  
Expenditures by Fund  
\$000**

<b><u>Operating Budget</u></b>	<b><u>2003-2004 Budget</u></b>	<b><u>2005-2006 Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
<b>General Fund</b>	\$234,220	\$249,894	\$15,674	6.7%
<b>Utilities</b>				
Water Utility Fund	61,921	68,323	6,402	10.3%
Sewer Utility Fund	58,770	67,562	8,792	15.0%
Storm & Surface Water Utility Fund	23,132	27,283	4,151	17.9%
Solid Waste Fund	2,773	3,098	325	11.7%
<b>Subtotal Utilities</b>	<u>146,596</u>	<u>166,266</u>	<u>19,670</u>	<u>13.4%</u>
<b>Development Services Fund</b>	32,956	36,558	3,602	10.9%
<b>Parks Enterprise Fund</b>	8,053	8,397	344	4.3%
<b>Internal Services</b>				
Equipment Rental Fund	33,622	35,471	1,849	5.5%
Facilities Services Fund	9,460	11,811	2,351	24.9%
Information Technology Fund	24,125	24,855	730	3.0%
<b>Subtotal Internal Services</b>	<u>67,207</u>	<u>72,137</u>	<u>4,930</u>	<u>7.3%</u>
<b>Reserves/Other</b>				
Franchise Fund	2,630	2,437	(193)	(7.3%)
General Self-Insurance Fund	13,311	10,381	(2,930)	(22.0%)
Health Benefits Fund	25,274	31,660	6,386	25.3%
Hotel/Motel Taxes Fund	17,919	17,264	(655)	(3.7%)
Human Services Fund	4,491	4,810	319	7.1%
Land Purchase Revolving Fund	4,761	3,506	(1,255)	(26.4%)
LEOFF I Medical Reserve Fund	20,358	19,614	(744)	(3.7%)
Marina Fund	0	1,426	1,426	N/A
Park M&O Reserve Fund	2,818	2,839	21	0.7%
Rainy Day Reserve Fund	4,372	4,372	(0)	(0.0%)
Unemployment Compensation Fund	515	547	32	6.2%
Workers' Compensation Fund	2,342	3,225	883	37.7%
<b>Subtotal Reserves/Other</b>	<u>98,791</u>	<u>102,081</u>	<u>3,290</u>	<u>3.3%</u>
<b>Total Operating Budget</b>	<u><u>\$587,823</u></u>	<u><u>\$635,333</u></u>	<u><u>\$47,510</u></u>	<u><u>8.1%</u></u>

**Figure 3-8**  
**2005-2006 Operating Budget**  
**Resources by Source and Expenditures by Group**  
**\$000**

Figure 3-8 presents the 2005-2006 total operating budget resources by source and expenditures by group. At 32.0% of the "pie", taxes represents the largest resource category followed by utility services fees and beginning fund balance. Together, these three sources represent 71.3% of operating budget resources.

The General Fund is the largest operating budget fund at \$249.9 million, representing 39.3% of expenditures.



### **Special Purpose Budget Highlights**

Figure 3-9 presents the 2005-2006 special purpose budget; special purpose funds highlights for 2005-2006 include:

- **Transfer of Council Reserve to the Operating Grants and Donations Fund**

The 2005-2006 Operating Grants and Donations Fund budget has decreased by \$1.4 million compared to the 2003-2004 biennium. This is primarily due to the use of Council reserves to support New City Hall debt service in 2004.

- **Higher Debt Service Requirement**

The 2005-2006 Budget for the City's Debt Service Funds has increased by \$4.3 million compared to the previous biennium. The primary reason for the increase is due to the issuance of the Limited Tax General Obligation (LTGO) bonds in 2004 for the acquisition and redevelopment of the New City Hall.

The increase in debt payments as a result of the issuance of the New City Hall Bonds is partially offset by a decrease in debt payments due to the refinancing of the 1993 Unlimited Tax General Obligation Refunding bonds, and the 1994 Water/Sewer Refunding bonds in 2003 and 2004 respectively.

- **Issuance of Limited Tax General Obligation Bonds**

In October 2003, the City issued \$8.6 Unlimited Tax General Obligation Refunding Bonds (UTGO), and \$4.6 million Limited Tax General Obligation (LTGO) Bonds. The proceeds from these bond issuances were used to: 1) refund \$8.6 million of outstanding 1993 UTGO refunding bonds, and 2) to advance refund \$4.4 of outstanding 1994 UTGO bonds. In July 2004, the City issued \$102.7 million in Limited Tax General Obligation Bonds. The proceeds from this bond issuance were used to pay for New City Hall renovations.

- **Increase of Housing Fund Reserves**

Reserves accumulate in the Housing Fund until projects are selected and funded by A Regional Coalition for Housing Fund (ARCH). Reserves increased in the 2005 budget in anticipation of affordable housing projects approved in 2004 by ARCH. Contribution to the Housing Fund from the General Fund remains constant at \$312,000 through 2006.

Figure 3-9

**2005-2006 Special Purpose Budget  
Expenditures by Fund  
\$000**

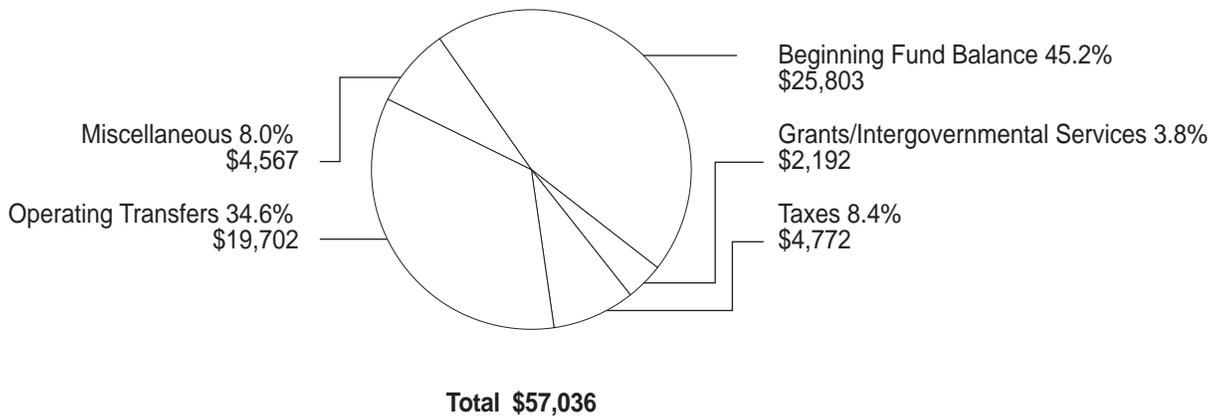
<b><u>Special Purpose Budget</u></b>	<b><u>2003-2004 Budget</u></b>	<b><u>2005-2006 Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
<b>Grants</b>				
Operating Grants & Donations Fund	\$17,825	\$16,396	(\$1,429)	(8.0%)
<b>Subtotal Grants</b>	<u>17,825</u>	<u>16,396</u>	<u>(1,429)</u>	<u>(8.0%)</u>
<b>Debt Service</b>				
I&D Redemption-Regular Levy Fund **	5,761	15,539	9,778	169.7%
I&D Redemption-Special Levy Fund **	7,393	5,358	(2,033)	(27.5%)
LID Control Fund **	2,910	2,049	(861)	(29.6%)
LID Guaranty Fund **	2,899	2,756	(143)	(4.9%)
Utility Revenue Bond Redemption Fund **	6,599	4,147	(2,452)	(37.2%)
<b>Subtotal Debt Service</b>	<u>25,562</u>	<u>29,849</u>	<u>4,287</u>	<u>16.8%</u>
<b>Trust/Other</b>				
Firemen's Pension Fund **	6,411	6,781	370	5.8%
Housing Fund	3,619	4,010	391	10.8%
<b>Subtotal Trust/Other</b>	<u>10,030</u>	<u>10,791</u>	<u>761</u>	<u>7.6%</u>
 <b>Total Special Purpose Budget</b>	 <u><u>\$53,417</u></u>	 <u><u>\$57,036</u></u>	 <u><u>\$3,619</u></u>	 <u><u>6.8%</u></u>

\*\* Funds listed with a double asterisk are not appropriated during this process.

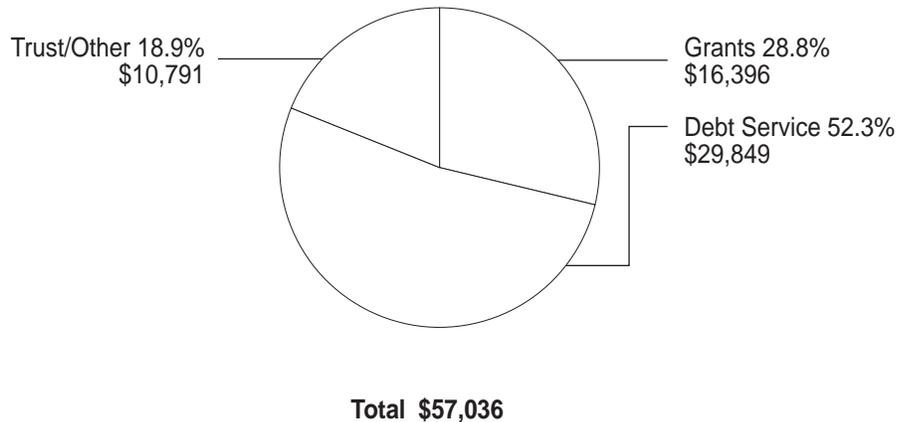
**Figure 3-10**  
**2005-2006 Special Purpose Budget**  
**Resources by Source and Expenditures by Group**  
**\$000**

Figure 3-10 depicts the resource and expenditure budget for the City's eight special purpose funds (not including the two CIP funds). For the purposes of this display, resources have been categorized into five main components with the "pie slices" revealing the comparative size of each component of the budget. As the graph shows, the largest resource category is the beginning fund balance. This is primarily due to large reserves being held in some of these funds (e.g., Firemen's Pension Fund).

**Resources**



**Expenditures**



### **Capital Project Budget Highlights**

Bellevue's Capital Investment Program (CIP) Plan represents a significant portion of the City's capital project budget. The CIP presents a schedule of major public facility improvements for implementation within a seven-year period, including the construction of the New City Hall.

Construction progress improved rapidly in the 2003-2004 biennium with several projects entering the construction phase on an accelerated basis. As a result of both opportunities to purchase property to add to our Park system and more projects under construction, the Council authorized borrowing of up to \$35 million on a line of credit (LOC) to support its cash flow. The adopted 2005-2011 CIP Plan will assure our ability to retire the LOC by the end of 2009 at an interest cost of approximately \$2.6 million, of which \$1.3 million is estimated for the 2005-2006 biennium, by deferring eleven projects for three to four years.

The Utilities CIP Plan includes eleven projects that have been added, six of which are a result of the Coal Creek settlement agreement with King County, and three projects that have been reduced to reflect a reprioritization of funding and project scopes.

The 7-year CIP Plan is \$360 million, of which \$296 million is allocated for the General CIP and \$64 million for the Utility CIP. More detailed information can be found within the 2005-2011 Capital Investment Program Plan document.

The 2004 City Hall Bond Fund is budgeted at \$74.5 million for the 2005-2006 biennium to reflect transfers of bond proceeds to fund the construction of the New City Hall.

- **Key Projects for 2005-2006**

In addition to the New City Hall project, a number of capital projects are scheduled in the next biennium. While the following list is not inclusive of all the projects the City will be undertaking, it includes some of the more high profile projects.

Detailed project descriptions for these and other CIP projects can be found within the 2005-2011 Capital Investment Program Plan.

### Transportation

Lakemont Boulevard Extension (PW-R-57)  
 NE 29<sup>th</sup> Place Connection (PW-R-60)  
 Kamber Road Roadway Improvements (PW-R-102)  
 150<sup>th</sup> Avenue SE – Newport Way to SE 36<sup>th</sup> St (PW-R105)  
 Cougar Mountain Way Corridor Improvements (PW-R-115)  
 148<sup>th</sup> Avenue SE Roadway Improvements (PW-R-117)  
 SE 16<sup>th</sup> Street Improvements (PW-R-118)  
 Forest Drive Improvements (PW-R-128)  
 Factoria Area Transportation Study Update (PW-R-145)  
 NE 10<sup>th</sup> Street Extension (PW-R-149)  
 NE 24<sup>th</sup> Street – Northup Way to 130<sup>th</sup> Avenue NE (PW-W/B-69)

### Parks

Crossroads Park and Community Center (P-AD-58)  
 Lewis Creek Park Master Plan & Development (P-AD-60)  
 South Bellevue Community Center (P-AD-61)

### General Government

Finance and Human Resources System Replacement – ERP (G-59)

### Community and Economic Development

Eastgate Subarea Plan (CD-21)  
 Urban Corridor Design/High Capacity Transit (ED-5)

### Neighborhood Investment Strategy (NIS)

West lake Hills NIS Improvements (NIS-1)

### Utilities

Rosemont Asbestos Cement Water Main Replacement (W-87)  
 Water System Security Enhancements (W-95)  
 Coal Creek Stabilization (D-69)  
 Richards Creek Culvert Reconstruction (D-71)  
 116<sup>th</sup> Avenue SE Outfall (D-76)  
 Richards Creek/East Creek Flow Management (D-90)  
 Overbank Storm Water Outfall Improvements – King County (D-98)  
 Overbank Storm Water Outfall Improvements – In Bellevue (D-99)

Figure 3-11

**2005-2006 Capital Project Budget  
Expenditures by Program Area and Fund  
\$000**

Figure 3-11 compares the 2005-2006 biennium to the 2003-2004 biennium for the City's two Capital Investment Program (CIP) funds and the 2004 City Hall Bond Fund. Overall, the 2005-2006 budget is relatively equal to the 2003-2004 budget, although the amounts by fund and program area has changed since the last biennium.

The 2005-2006 budget reflects major construction costs for the New City Hall (NCH-1) and also assures that the General CIP Fund short-term borrowing is limited to a maximum of \$35 million and paid back by the end of 2009 by deferring eleven projects to later years in the CIP Plan.

<u>Capital Project Budget</u>	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>2004 City Hall Bond Fund</b>				
New City Hall	\$104,371	\$74,812	(\$29,559)	(28.3%)
<b>Subtotal 2004 City Hall Bond Fund</b>	<b>\$104,371</b>	<b>\$74,812</b>	<b>(\$29,559)</b>	<b>(28.3%)</b>
<b>General Capital Investment Program Fund</b>				
Transportation	\$70,293	\$39,539	(\$30,754)	(43.8%)
Parks	23,013	17,674	(5,339)	(23.2%)
General Government	15,059	11,153	(3,906)	(25.9%)
Public Safety	4,503	3,159	(1,344)	(29.8%)
New City Hall	25,294	83,389	58,095	229.7%
Community and Economic Development	4,378	4,330	(48)	(1.1%)
Neighborhood Enhancement Program	3,000	2,700	(300)	(10.0%)
Neighborhood Investment Strategy	4,000	5,695	1,695	42.4%
<b>Subtotal General Capital Investment Program Fund</b>	<b>\$149,540</b>	<b>\$167,639</b>	<b>\$18,099</b>	<b>12.1%</b>
<b>Utility Capital Investment Program Fund</b>				
Water	\$15,586	\$16,725	\$1,139	7.3%
Sewer	13,839	17,154	3,315	24.0%
Storm Drainage	6,809	13,710	6,901	101.4%
<b>Subtotal Utility Capital Investment Program Fund</b>	<b>\$36,234</b>	<b>\$47,589</b>	<b>\$11,355</b>	<b>31.3%</b>
 <b>Total Capital Project Budget</b>	 <b>\$290,145</b>	 <b>\$290,040</b>	 <b>(\$105)</b>	 <b>0.0%</b>

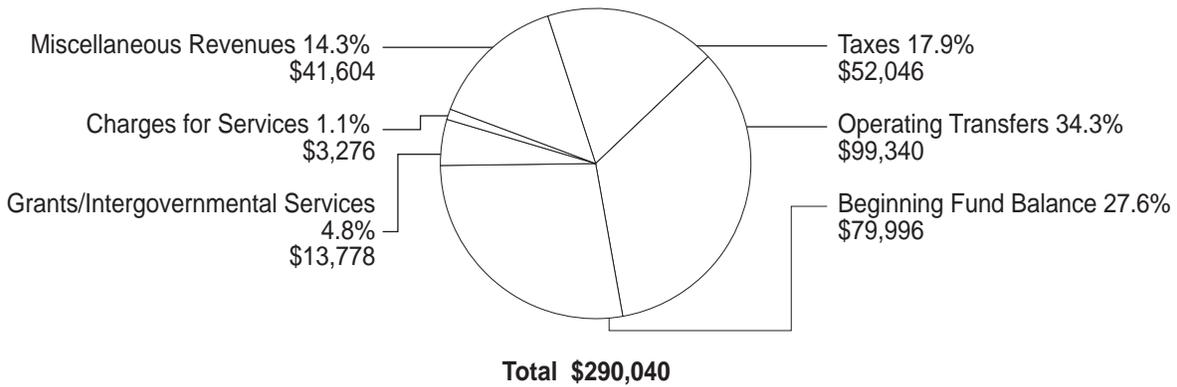
**Figure 3-12**

**2005-2006 Capital Project Budget  
Resources by Source and Expenditures by Program Area  
\$000**

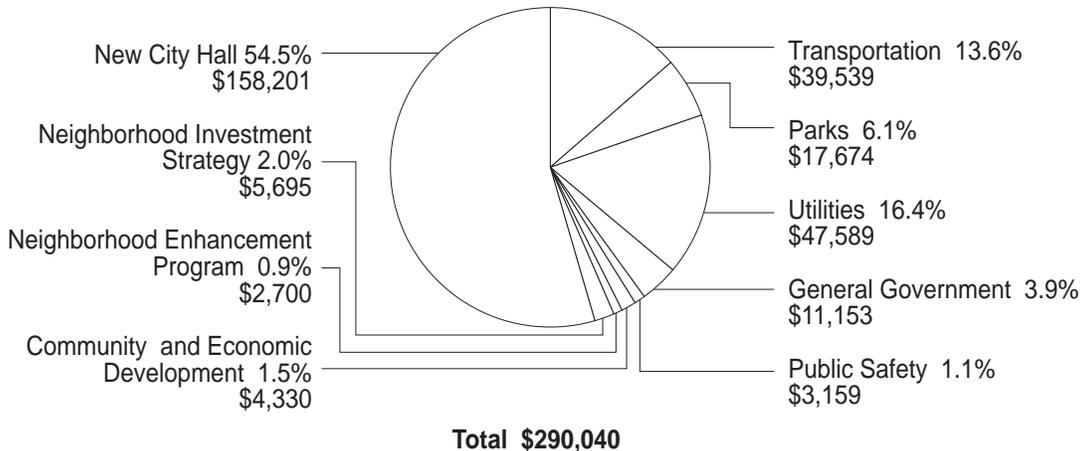
Figure 3-12 depicts the resources and expenditures budget for the City's two Capital Investment Program (CIP) funds and the 2004 City Hall Bond Fund. The largest resource categories are operating transfers, which includes transfers of bond proceeds for the New City Hall project, and taxes, which is comprised of sales, real estate excise, and business and occupation taxes. Beginning fund balance represents the receipt of bond proceeds for the New City Hall.

The New City Hall program area makes up 54.5% of the expenditure budget, representing capital expenditures and bond proceeds transfers from the Bond Proceeds Fund. Transportation, Parks, and Utilities combine to make up 36.1% of the budget, with the balance being divided between the remaining program areas.

**Resources**



**Expenditures**



**Figure 3-13**

**Operating Costs Funded by the Capital Investment Program (CIP)  
\$000**

This figure presents the 2005 and 2006 operating budget maintenance & operations (M&O) expenditures funded by the Capital Investment Program (CIP) compared to the previous biennium.

Refer to specific Project Description Pages in the 2005-2011 Capital Investment Program (CIP) Plan to obtain more detailed information on M&O expenditures. The budgets reflect the project completion schedules in the 2005-2011 CIP Plan. Actual transfers to the General Fund may vary depending on the timing of actual project completions.

	<u>2003 Budget</u>	<u>2004 Budget</u>	<u>2005 Budget</u>	<u>2006 Budget</u>
<b>Base M&amp;O Funding</b>	<b>\$4,569</b>	<b>\$5,227</b>	<b>\$5,414</b>	<b>\$6,139</b>
<b>New M&amp;O Funding Approved (by Major Program Area)</b>				
Transportation	\$14	\$12	\$56	\$94
Parks	413	(77)	441	595
General Government	103	43	0	404
Public Safety	128	209	168	24
Community & Economic Development	0	0	0	0
Neighborhood Enhancement	0	0	51	27
Neighborhood Investment	0	0	9	26
<b>Total M&amp;O Funding</b>	<b><u>\$5,227</u></b>	<b><u>\$5,414</u></b>	<b><u>\$6,139</u></b>	<b><u>\$7,309</u></b>

**F. DEBT INFORMATION**

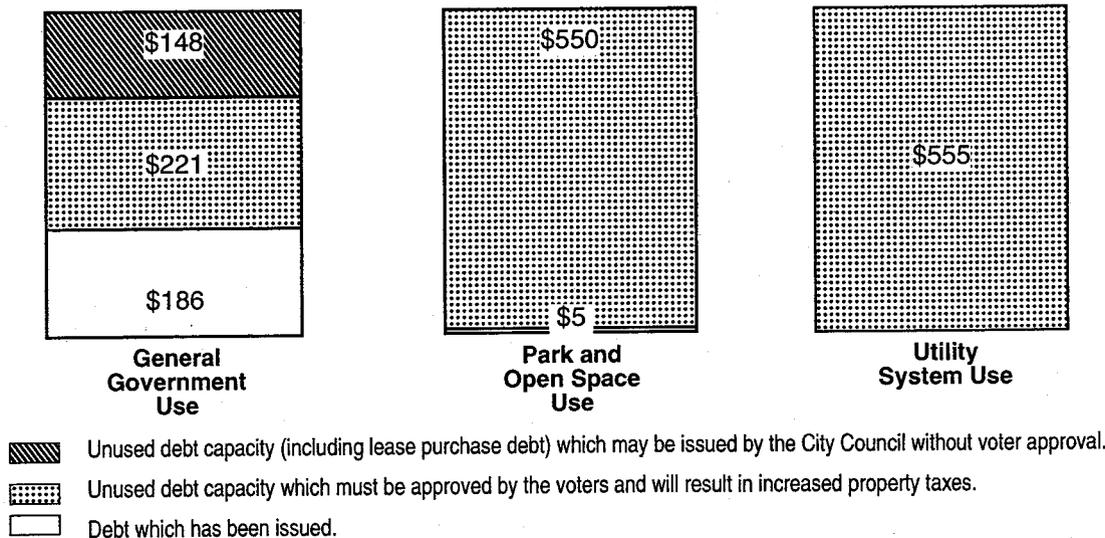
State Law enables the City to issue debt for three general categories of use: General Government, Park and Open Space, and Utility System uses. The debt issued in each category is limited to 2.5% of the City's assessed valuation (for a total limit of 7.5%). In addition, the State Constitution also allows for non-voted, or councilmanic debt limited to 1.5% of the City's assessed valuation, to be included within the General Government 2.5% limit. Such councilmanic debt can be funded by property taxes, but does not result in an increase to regular levy property taxes. Publicly voted bonds (which excludes councilmanic debt) require a 60% majority approval for passage of a bond election and a total voter turnout of at least 40% of the total votes cast in the last general election. Publicly-voted bonds are funded by voted levy property taxes and the approval of these bonds will result in an increase to voted levy property taxes.

The underlying approach of the City is to borrow only for capital improvements that cannot be funded on a pay-as-you-go basis. The City will not issue long-term debt to finance current operations.

Figure 3-14 exhibits by category the City's total general obligation debt capacity, the amount of debt issued, and the allocation of remaining debt capacity between voted and councilmanic limits. As of January 1, 2005, the City's remaining general government debt capacity was approximately \$369 million, approximately \$221 million in voted capacity and \$148 million in councilmanic capacity. The approximate remaining debt capacity for park and open space use is \$550 million and for utility system use is \$555 million.

**Figure 3-14  
Total Debt Capacity and Debt Issued  
as of January 1, 2005  
(\$ Millions)**

Maximum Legal Capacity per Category =  $\$22,214 \times 0.025 = \$555$



m3216.3/05

Figure 3-15 on the following page presents detailed information on the City's General Obligation and Revenue Bond debt. For each debt issue, this figure lists the amount issued, the issue and maturity dates, interest rate, source of debt payment funding, and the debt service requirements included in the 2005-2006 Budget.

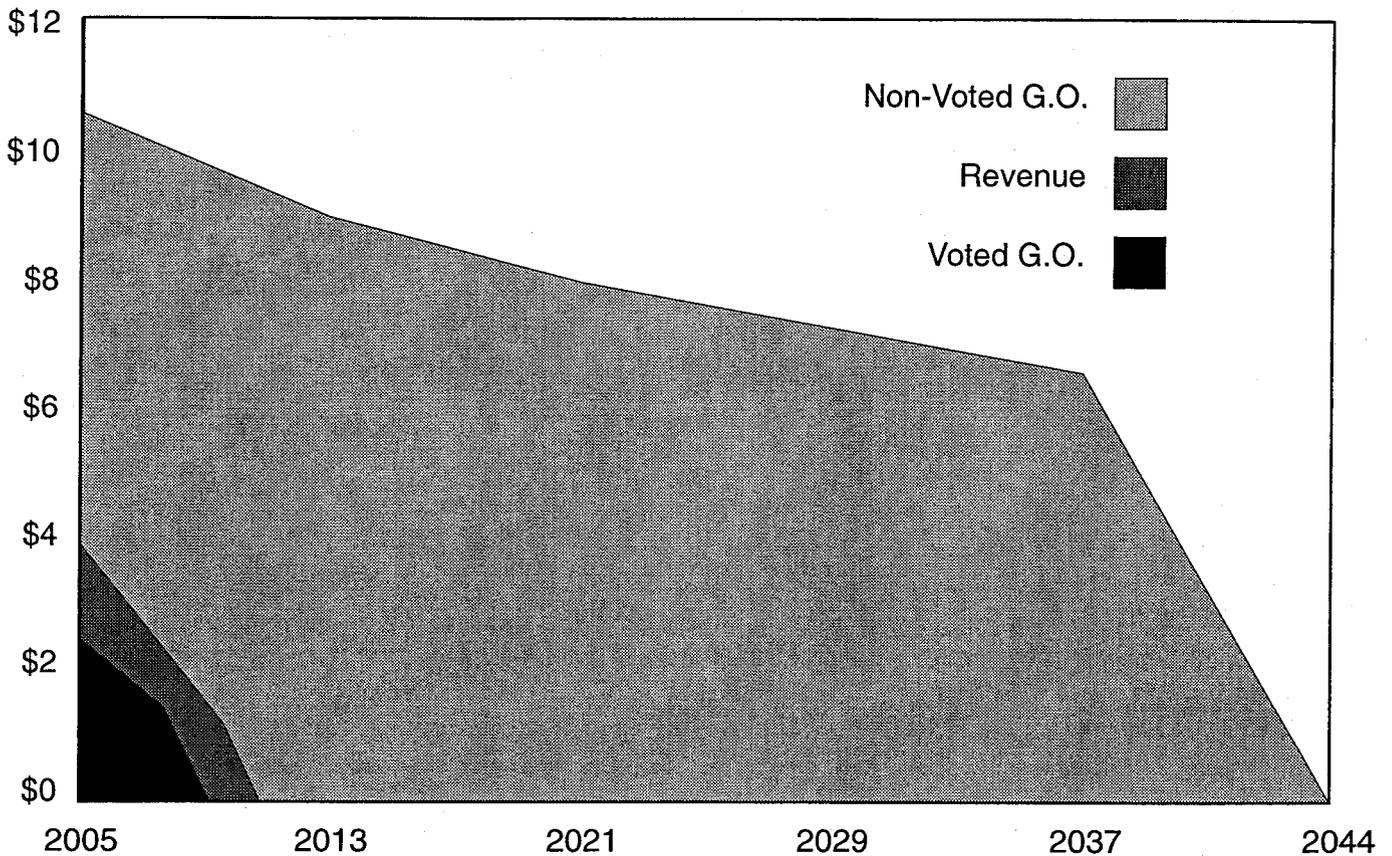
**Figure 3-15**  
**GENERAL OBLIGATION AND REVENUE BOND DEBT INFORMATION**  
 \$000

	Original Amount Issued	Issue Date	Final Maturity Date	Interest Rate	Debt Outstanding 1/1/2005	Source of Debt Service Funding	2005-2006 Debt Service Requirement	
							Principal	Interest
<b>Non-Voted General Obligation (G.O.) Bonds:</b>								
1995 Limited G.O.	\$5,140	1995	2025	5.15 - 5.80%	\$5,140	Hotel/Motel Taxes	\$439	\$326
1998 Limited G.O.	4,310	1998	2018	4.00 - 4.78%	4,095	Grants/CIP/Moorage Fees	145	358
2002 Limited G.O.	10,450	2002	2032	3.50 - 5.50%	10,450	Hotel/Motel Taxes	200	1,034
2003 Limited G.O. Refunding, Series B	4,635	2003	2014	2.00 - 4.50%	4,225	CIP	750	276
2004 Limited G.O. (City Building)	102,710	2004	2043	5.00 - 5.50%	102,710	CIP/Reserves	---	10,614
Subtotal Non-Voted G.O. Bonds	\$127,245				\$126,620		\$1,534	\$12,608
<b>Voted General Obligation Bonds:</b>								
2003 Limited G.O. Refunding, Series A	\$8,550	2003	2008	3.00 - 5.00%	\$6,275	Voted Levy Property Tax	\$3,520	\$389
Subtotal Voted G.O. Bonds	\$8,550				\$6,275		\$3,520	\$389
<b>Revenue Bonds:</b>								
1991 Bellevue Convention Center Authority, Series B (1)	\$21,120	1991	2019	5.90 - 7.20%	\$10,167	BCCA	\$1,580	\$2,765
1994 Bellevue Convention Center Authority Refunding (1)	13,749	1994	2025	6.25 - 7.50%	12,900	BCCA	524	526
2004 Waterworks Refunding	6,825	2004	2010	2.00 - 3.625%	6,725	Utility Services Fees	2,510	395
Subtotal Revenue Bonds	\$41,694				\$29,792		\$4,614	\$3,686
<b>TOTAL GENERAL OBLIGATION AND REVENUE BONDS</b>	<b>\$177,489</b>				<b>\$162,687</b>		<b>\$9,668</b>	<b>\$16,683</b>

(1) The Bellevue Convention Center Authority (BCCA) is a component unit of the City for financial reporting purposes. The Authority's revenue bonds are secured by Lease Purchase Rental payments from the City paid for with Hotel/Motel Tax revenues and other revenues of the City available without a vote of the City's electors.

Figure 3-16 presents the annual debt service requirements for the City's voted, councilmanic (non-voted), and revenue debt through 2044. The 2005 debt service requirements are \$2.5 million for voted debt, \$1.5 million for revenue bond debt, and \$6.6 million on councilmanic debt. If no further debt is issued, the final debt payment for the voted debt will be made in the year 2008, for revenue debt in 2010, and for councilmanic debt in 2043. This graph shows the City's annual debt service requirements decreasing over time.

**Figure 3-16**  
**ANNUAL DEBT SERVICE REQUIREMENTS**  
**FOR EXISTING GENERAL OBLIGATION AND REVENUE BONDS**  
 (\$ Millions)



mac1970.rev. 3-05

**CITY BOND RATINGS**

On January 1, 2005, the City held the following bond ratings:

<u>Bond Type</u>	<u>Standard and Poor's</u>	<u>Moody's</u>
Unlimited Tax General Obligation	AA+	Aaa
Limited Tax General Obligation	AA+	Aa1
Revenue	N/A	Aa2

## Resource Summary

---

This chapter illustrates 2005-2006 Budget resource estimates primarily through the use of graphic presentations. Text describing the graphic presentations is included to highlight some of the key information presented.

This Resource Summary is organized into the following sections:

**A. Total City Budget Resources**

This section provides the reader with additional information on City taxes.

**B. Operating Budget Resources**

This section provides information regarding operating budget resources by category and General Fund resource changes by source.

**C. Special Purpose Funds Budget Resources**

This section provides information regarding special purpose budget resources by category.

**D. Capital Project Funds Budget Resources**

This section provides information regarding capital project budget resources by category.

## A. TOTAL CITY BUDGET RESOURCES

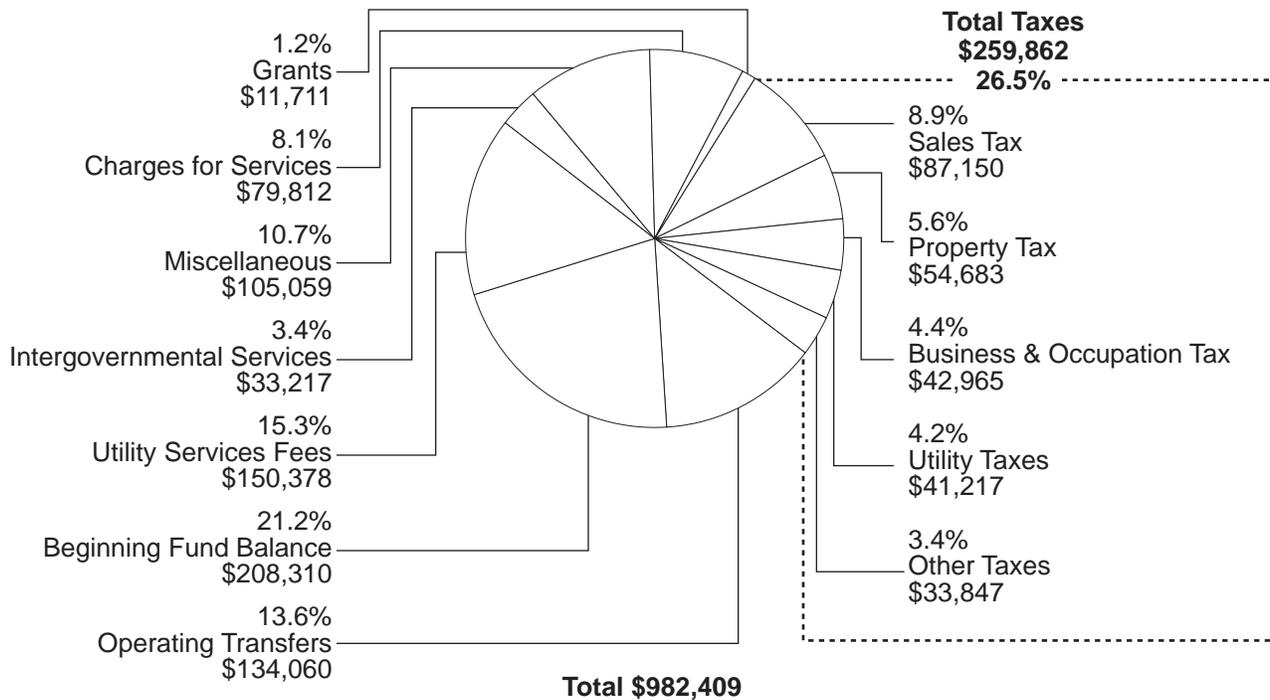
Figure 4-1 presents the 2005-2006 resource budget for all City funds and contains a comparison to 2003-2004 resources. Resources for 2005-2006 are anticipated to increase \$51.0 million or 5.5% from 2003-2004. Tax collections are anticipated to increase as the economy continues to show signs of recovery. Increased pass-through wholesale sewer costs to customers, increased reserve requirements, and cost associated with the Coal Creek settlement resulted in increased utility service fees. Increases in charges for services are, in part, due to internal charges associated with capital projects.

As illustrated in the pie chart, taxes are the largest resource category contributing more than one quarter of the City's total resources. Within the taxes category, the largest components include sales taxes, property taxes, and business & occupation taxes.

Beginning fund balance is the next largest category of resources. This is the result of reserve policies which specify that we shall maintain reserves to adequately cover future liabilities (e.g., equipment replacement reserves). These reserve policies allow the City to handle large expenditure increases caused by the timing of certain expenditure items without having to raise revenues.

Figure 4-1

**2005-2006 Total City Budget Resources**  
**\$000**



**Comparison to 2003-2004 Budget**

	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Taxes</b>				
Sales Tax	\$77,578	\$87,150	\$9,572	12.3%
Property Tax	55,718	54,683	(1,035)	(1.9%)
Business & Occupation Tax	39,038	42,965	3,927	10.1%
Utility Taxes	40,046	41,217	1,171	2.9%
Other Taxes	27,337	33,847	6,510	23.8%
Subtotal Taxes	<u>239,717</u>	<u>259,862</u>	<u>20,145</u>	<u>8.4%</u>
Beginning Fund Balance	144,861	208,310	63,448	43.8%
Utility Services Fees	134,718	150,378	15,660	11.6%
Miscellaneous	204,014	105,059	(98,955)	(48.5%)
Charges for Services	74,417	79,812	5,395	7.2%
Operating Transfers	79,179	134,060	54,882	69.3%
Intergovernmental Services	43,326	33,217	(10,109)	(23.3%)
Grants	11,153	11,711	558	5.0%
<b>Total Resources</b>	<u><b>\$931,385</b></u>	<u><b>\$982,409</b></u>	<u><b>\$51,024</b></u>	<u><b>5.5%</b></u>

**FIGURE 4-2**  
**SUMMARY OF LOCALLY LEVIED TAXES**

---

This figure includes information on each of the taxes levied to support city services. Included for each tax are the maximum allowable rate, the current City rate, the 2005 and 2006 budgets, and supplemental information.

**1. Regular Property Tax Levy**

Maximum Rate:	\$3.11/\$1,000 AV
2005 Rate:	\$1.16/\$1,000 AV
2005 Levy:	
General Fund	\$23,979,000
Human Services Fund	<u>1,835,000</u>
Total 2005 Regular Property Tax Levy	\$25,814,000
2006 Estimated Rate:	\$1.14/\$1,000 AV
2006 Estimated Levy:	
General Fund	\$24,322,000
Human Services Fund	<u>1,959,000</u>
Total 2006 Regular Property Tax Levy	\$26,281,000

Current law limits the property tax increase from the prior highest allowable regular levy to the lesser of 101% or 100% plus inflation, where inflation is measured by the percentage change in the Implicit Price Deflator (IPD). For 2005 the IPD changed 2.4%.

Based on the 2005 regular levy of \$25,814,000 and the 2006 estimated levy of \$26,281,000, each \$0.01 per \$1,000 assessed value (AV) of the regular property tax levy rate generates \$222,000 in 2005 and \$235,000 in 2006 in property tax revenue.

Both the 2005 regular levy and the 2006 estimated levy include property tax lid lift revenues of \$991,000. This levy lid lift was approved by the voters on May 17, 1988 to pay maintenance and operating costs of City park facilities funded through a \$16.5 million park bond issue.

The 2005 regular levy AV is at \$22.2 billion, an increase of \$1.0 billion or 4.7% from the 2004 AV. The 2006 regular levy AV is estimated to be \$23.5 billion, an increase of \$1.3 billion or 6.0% from the 2005 AV.

FIGURE 4-2 (Continued)

## 2. Voted Property Tax Levy

Maximum Rate: The bonds serviced from this revenue source cannot exceed 7.5% of the City's voted property tax levy AV less any councilmanic or lease/purchase bond issues.

Based on the estimated 2005 voted property tax levy AV of \$22.2 billion and a 20-year bond issue at 5.2% interest, the maximum 2005 levy rate is \$5.90 per \$1,000 AV. Based on the 2006 estimated voted property tax levy AV of \$23.5 billion and a 20-year bond issue at 5.2% interest, the maximum 2006 levy rate is \$5.80 per \$1,000 AV.

2005 Rate:	\$0.07/\$1,000 AV
2005 Levy:	\$1,530,000
2006 Estimated Rate:	\$0.06/\$1,000 AV
2006 Estimated Levy:	\$1,460,000

Each \$0.01 per \$1,000 AV of the 2005 voted property tax levy rate based upon the 2005 voted levy of \$1,530,000 generates \$222,000 of property tax revenue. Each \$0.01 per \$1,000 AV of the 2004 voted property tax levy rate based on the estimated 2006 voted levy of \$1,460,000 generates \$235,000 of property tax revenue.

## 3. Sales Tax

Maximum Rate:	1.0%*
Current Rate:	1.0%*
2005 Estimate:	
General Fund**	\$29,686,000
Operating Grants & Donations Fund	1,150,000
General CIP Fund	11,903,000
Housing Fund	<u>100,000</u>
Total 2005 Sales Tax	\$42,839,000
2006 Estimate:	
General Fund**	\$32,005,000
Operating Grants & Donations Fund	460,000
General CIP Fund	11,746,000
Housing Fund	<u>100,000</u>
Total 2006 Sales Tax	\$44,311,000

\* 15% of the sales tax revenue produced by the City's 1% is allocated to the county.

\*\* Includes a portion of CIP allocation for maintenance and operating costs associated with completed capital projects. Also includes CIP allocation for facilities costs.

Each 0.1% of the sales tax rate generates \$4,284,000 in 2005 and \$4,431,000 in 2006 of sales tax revenue.

FIGURE 4-2 (Continued)

**4. Business & Occupation Tax**

Maximum Rate:	0.2%
Current Rate:	0.1496%
2005 Estimate:	
General Fund (0.11%)	\$15,398,000
General CIP Fund - Unrestricted (0.03%)	4,191,000
General CIP Fund - Restricted Transportation Only (0.0096%)	<u>1,342,000</u>
Total 2005 Business & Occupation Tax	\$20,931,000
2006 Estimate:	
General Fund (0.11%)	\$16,248,000
General CIP Fund - Unrestricted (0.03%)	4,383,000
General CIP Fund - Restricted Transportation Only (0.0096%)	<u>1,403,000</u>
Total 2006 Business & Occupation Tax	\$22,034,000

A majority of voters may approve a rate in excess of 0.2%. Each 0.01% of the business and occupation tax rate generates \$1,399,000 in 2005 and \$1,473,000 in 2006 of B&O tax revenue.

**5. Utility Taxes****a. Electric Utility Tax**

Maximum Rate:	6.0%
Current Rate:	5.0%
2005 Estimate:	\$5,087,000
2006 Estimate:	\$5,535,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the electric utility tax rate generates \$102,000 in 2005 and \$111,000 in 2006 of electric utility tax revenue.

**b. Gas Utility Tax**

Maximum Rate:	6.0%
Current Rate:	5.0%
2005 Estimate:	\$2,369,000
2006 Estimate:	\$2,528,000

A majority of the voters may approve a rate in excess of 6%. Each 0.1% of the gas utility tax rate generates \$47,000 in 2005 and \$51,000 in 2006 of gas utility tax revenue.

**FIGURE 4-2 (Continued)**

---

**c. Water Utility Tax**

Maximum Rate:	None
Current Rate:	5.0%
2005 Estimate:	\$1,143,000
2006 Estimate:	\$1,161,000

Tax levied on the City's Water Utility. Each 0.1% of the water utility tax rate generates \$23,000 in 2005 and 2006 of water utility tax revenue.

**d. Sewer Utility Tax**

Maximum Rate:	None
Current Rate:	5.0%
2005 Estimate:	\$1,316,000
2006 Estimate:	\$1,367,000

Tax imposed on the City's Sewer Utility. Each 0.1% of the sewer utility tax rate generates \$26,000 in 2005 and \$27,000 in 2006 of sewer utility tax revenue.

**e. Storm Drainage Utility Tax**

Maximum Rate:	None
Current Rate:	5.0%
2005 Estimate:	\$574,000
2006 Estimate:	\$614,000

Tax levied on the City's Storm & Surface Water Utility. Each 0.1% of the storm drainage utility tax rate generates \$11,000 in 2005 and \$12,000 in 2006 of storm drainage utility tax revenue.

**f. Garbage Tax**

Maximum Rate:	None
Current Rate:	4.5%
2005 Estimate:	\$868,000
2006 Estimate:	\$887,000

Tax levied upon the private garbage collection company that services Bellevue. Each 0.1% of the garbage tax rate generates \$19,000 in 2005 and \$20,000 in 2006 of garbage tax revenue.

FIGURE 4-2 (Continued)

**g. Telephone Utility Tax**

Maximum Rate:	6.0%
Current Rate:	6.0%
2005 Estimate:	
Telephone Utilities	\$3,984,000
Cellular Telephone Utilities	<u>3,725,000</u>
Total 2005 Telephone Utility Tax	\$7,709,000
2006 Estimate:	
Telephone Utilities	\$3,722,000
Cellular Telephone Utilities	<u>4,042,000</u>
Total 2006 Telephone Utility Tax	\$7,764,000

Tax levied on all telephone companies. Each 0.1% of the telephone utility tax rate generates \$128,000 in 2005 and \$129,000 in 2006 of telephone utility tax revenue.

**6. Television Cable Franchise Fee**

Maximum Rate:	5.0%
Current Rate:	5.0%
2005 Estimate:	\$1,120,000
2006 Estimate:	\$1,175,000

Fees levied on cable television companies operating in the City. This fee is collected in the Franchise Fund, where it will be used to support the development of cable television activities. Each 0.1% of the television cable fee generates \$22,000 in 2005 and \$24,000 in 2006 of television cable franchise revenue.

**7. Accommodations (Hotel/Motel) Tax**

100% of accommodations taxes are committed to the Bellevue Convention Center Authority (BCCA), a public development authority created by the City Council on December 4, 1989.

Maximum Rate:	5.0%
Current Rate:	5.0%
2005 Estimate:	\$4,488,000
2006 Estimate:	\$5,443,000

Proceeds are restricted to the Hotel/Motel Tax Fund, and are then transferred to the BCCA. There is a 2% credit against the State sales tax on accommodations in Bellevue. The accommodations tax may be used only for tourism facilities and tourism promotion purposes. Each 0.1% of the tax generates \$90,000 in 2005 and \$109,000 in 2006.

FIGURE 4-2 (Continued)

**8. Admissions Tax**

Maximum Rate:	5.0%
Current Rate:	3.0%
2005 Estimate:	\$345,000
2006 Estimate:	\$353,000

Tax levied on admission charges to theaters, amusement parks, swimming pools, etc. Each 0.1% of the admissions tax rate generates \$12,000 in 2005 and 2006 of admissions tax revenue.

**9. Gambling Tax****a. General Fund**

Maximum Rate:	2% - 5%
Current Rate:	2% - 5%
2005 Estimate:	\$10,000
2006 Estimate:	\$10,000

Gambling tax on amusement games, bingo, and raffle activities. State law provides that the City must first use these proceeds to pay for enforcement activities. In Bellevue, the remaining funds are dedicated to providing youth facilities.

**b. Human Services Fund**

Maximum Rate:	5.0%
Current Rate:	5.0%
2005 Estimate:	\$180,000
2006 Estimate:	\$180,000

Gambling tax on punch board and pull tab activities. The proceeds from this revenue source are receipted into the Human Services Fund. They are reserved for the purpose of providing youth facilities to the extent that funds from this tax are not first required to enforce gambling laws as required by State law.

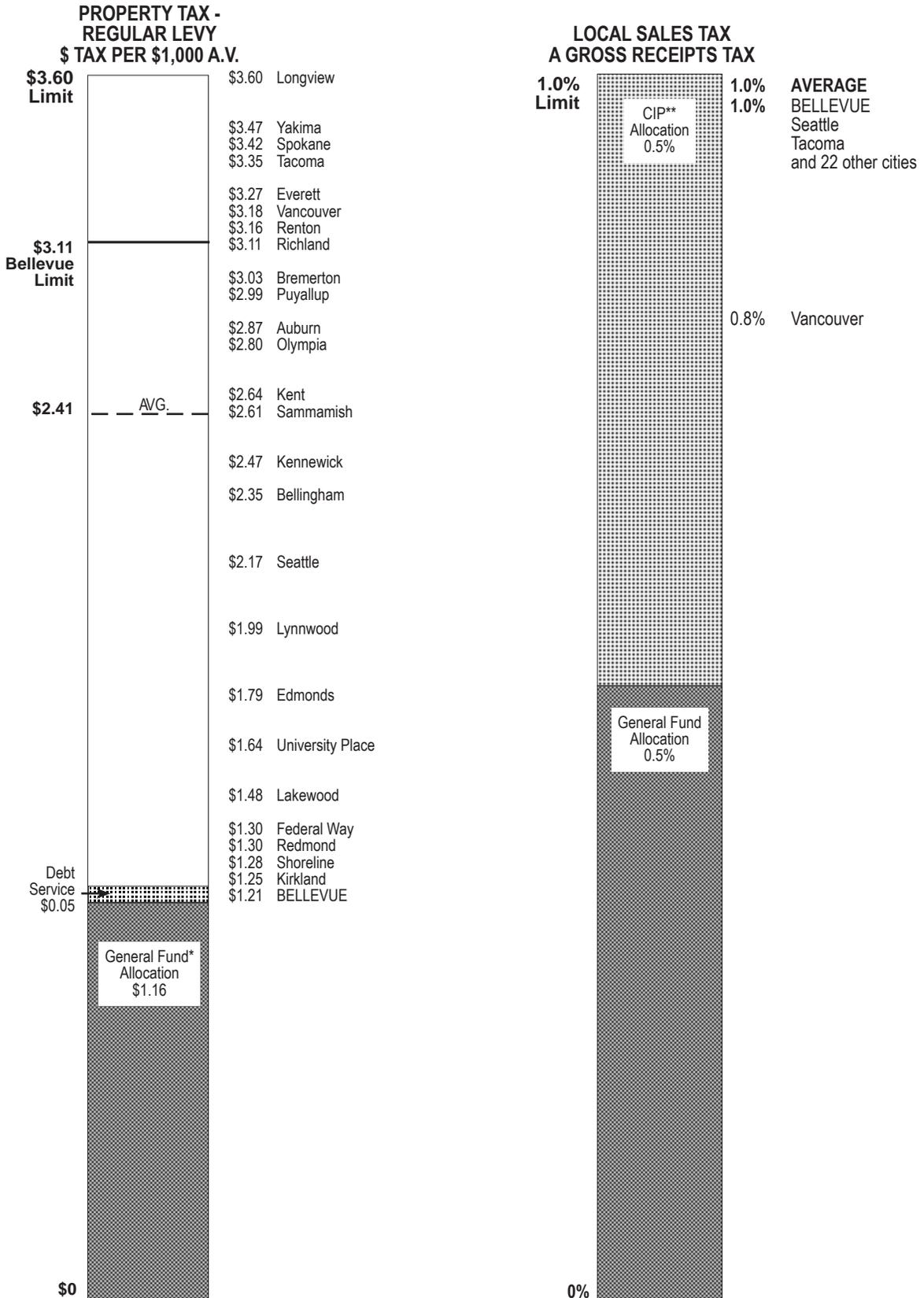
**10. Real Estate Excise Tax**

Maximum Rate:	0.5%
Current Rate:	0.5%
2005 Estimate:	\$8,348,000
2006 Estimate:	\$8,730,000

Revenue proceeds are receipted to the General Capital Investment Program Fund for use on capital projects. Each 0.25% of the real estate excise tax rate generates \$4,174,000 in 2005 and \$4,365,000 in 2006 of real estate excise tax revenue.

## Figure 4-3(A) Comparison of 2004 Urban Tax Rates Rates in Effect for Property and Local Taxes as of January 2004

This figure provides a comparison of City of Bellevue tax rates to the tax rates of the 25 other Washington cities with over 30,000 population. Comparisons in Figure 4-3(A) show that Bellevue's property tax rate is well below the average for these Washington cities and that like 24 other cities, our sales tax rate is 1.0%.

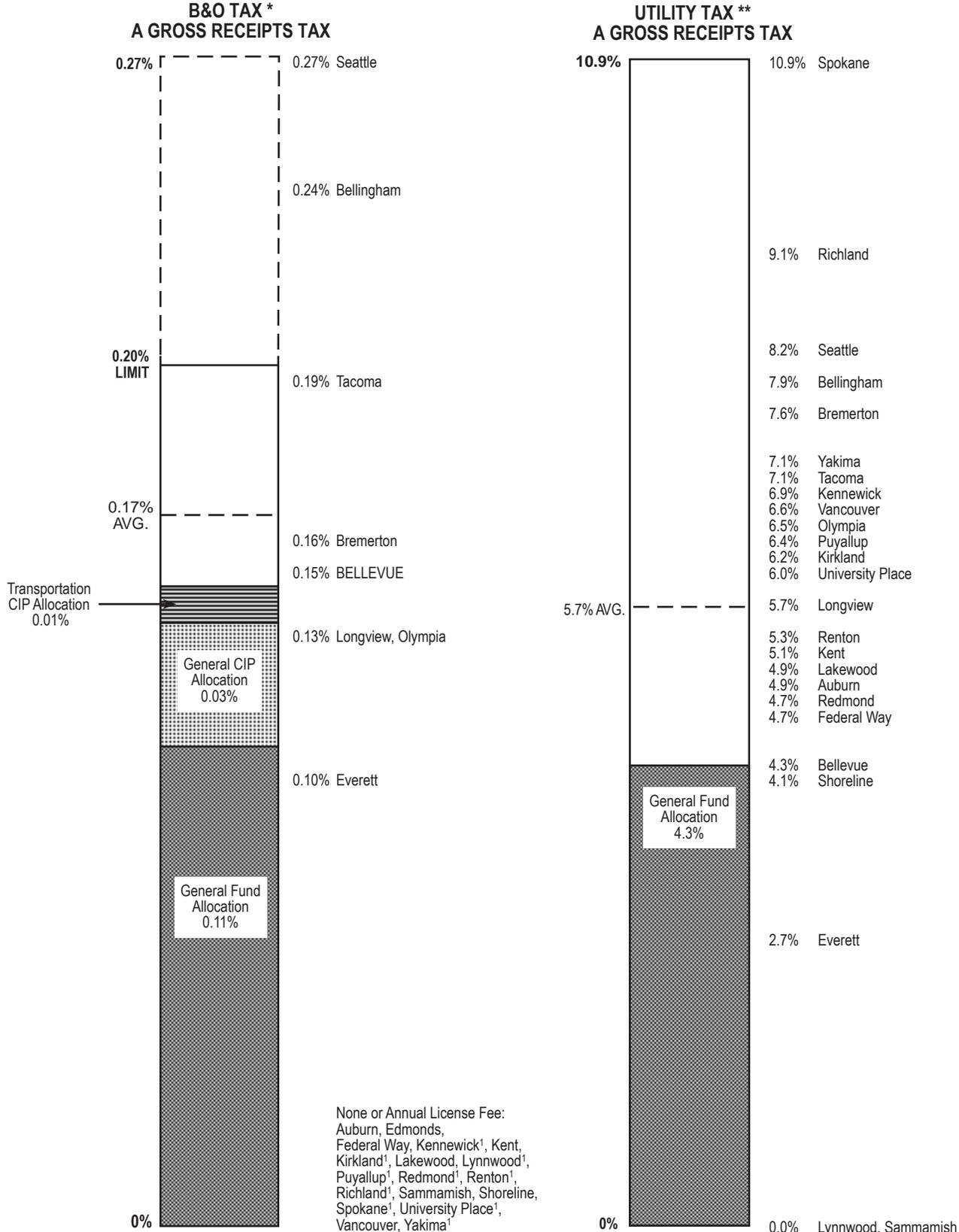


\* A portion of the General Fund allocation supports the Human Services Fund.

\*\* A portion of the CIP allocation supports the Housing, Facilities, and Land Purchase Revolving Funds, and General Fund maintenance and operating costs associated with completed capital projects.

## Figure 4-3(B) Comparison of 2004 Urban Tax Rates Rates in Effect for Property and Local Taxes as of January 2004

Comparisons in Figure 4-3(B) show that Bellevue's business & occupation (B&O) tax rate is slightly below the average of those cities with a B&O tax (0.15%) and that Bellevue's utility tax rates are well below the average of the 25 Washington cities.



\* Unweighted average B&O tax on service, retail, wholesale, manufacturing and services activities for those cities which impose a gross receipts business tax.  
 \*\* Unweighted average of natural gas, electric, telephone, water, sewer, storm drainage, cable, and garbage.  
 1) Kennewick, Kirkland, Lynnwood, Puyallup, Redmond, Renton, Richland, Spokane, University Place, and Yakima: Business license fee based on square footage, number of employees, and/or type of business.

mac814.C  
rev. 3-05  
2005-2006 City of Bellevue Budget

**FIGURE 4-4**  
**PROPERTY VALUATION & TAX LEVY INFORMATION**  
**1980 through 2005**

This figure displays historical property tax information for comparison purposes. Official property tax records are maintained by the King County Assessor's Office. Property owners are taxed on 100% of the fair market value of their property.

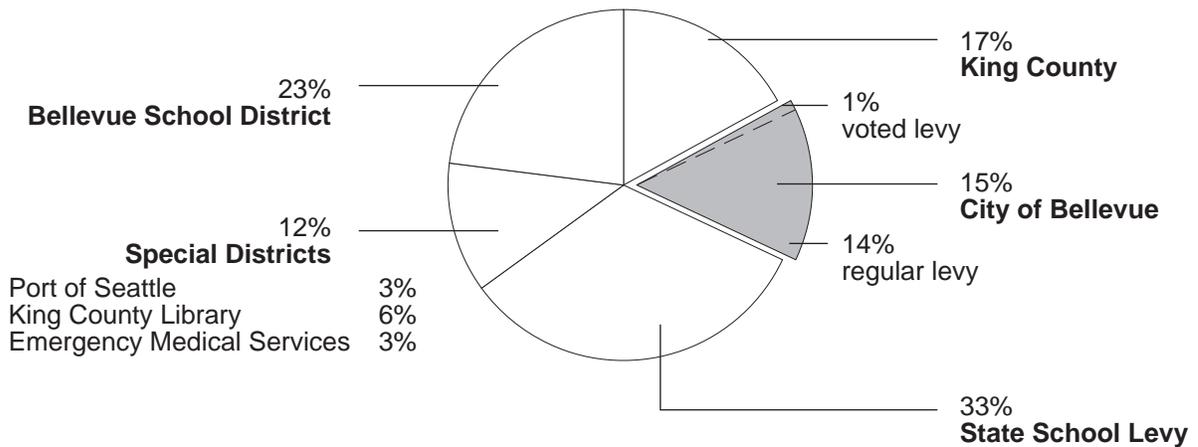
The 2005 regular levy assessed valuation (AV) and regular property tax levy amounts shown in this exhibit reflect the actual AV amounts certified by King County.

<u>Year</u>	<u>Regular Levy Assessed Valuation (\$ in millions)</u>	<u>% Change from Prior Year</u>	<u>Regular Property Tax Levy (\$000)</u>	<u>% Change from Prior Year</u>	<u>Tax Rate per \$1000 Assessed Valuation</u>		
					<u>Voted Levy</u>	<u>Regular Levy</u>	<u>Total Property Tax Rate</u>
1980	1,794	18.6	4,891	13.8	0.71	2.72	3.43
1981	3,194	78.1	5,635	15.2	0.37	1.76	2.13
1982	3,400	6.4	6,229	10.6	0.77	1.84	2.61
1983	4,460	31.2	7,078	13.6	0.44	1.58	2.02
1984	4,482	0.5	7,748	9.5	0.45	1.73	2.18
1985	4,737	5.7	8,545	10.3	0.22	1.80	2.02
1986	4,882	3.0	9,304	8.9	0.70	1.90	2.60
1987	5,366	9.9	10,230	10.0	0.41	1.90	2.31
1988	5,620	4.7	11,257	10.0	0.21	2.00	2.21
1989	6,455	14.8	13,409	19.1	0.20	2.08	2.28
1990	6,610	2.4	14,556	8.6	0.53	2.20	2.73
1991	9,065	37.1	16,113	10.7	0.31	1.76	2.07
1992	9,238	1.9	17,143	6.4	0.29	1.85	2.14
1993	9,958	7.8	18,414	7.4	0.26	1.85	2.11
1994	10,249	2.9	20,422	10.9	0.20	1.99	2.19
1995	10,701	4.4	19,492	(4.6)	0.35	1.82	2.17
1996	10,876	1.6	19,861	1.9	0.35	1.83	2.18
1997	11,308	4.0	21,026	5.9	0.34	1.86	2.20
1998	12,115	7.1	21,246	1.0	0.32	1.75	2.07
1999	13,652	12.7	21,685	2.1	0.24	1.59	1.83
2000	14,981	9.7	22,497	3.7	0.21	1.50	1.71
2001	17,605	17.5	23,489	4.4	0.14	1.34	1.48
2002	19,705	11.9	24,859	5.8	0.13	1.26	1.39
2003	20,696	5.0	25,214	1.4	0.13	1.22	1.35
2004	21,212	2.5	25,572	1.4	0.13	1.21	1.34
2005	22,214	4.7	25,814	0.9	0.07	1.16	1.23

**Figure 4-5**  
**Property Taxes**  
**Typical Distribution of Property Tax Dollar**

This figure illustrates the property tax distribution for a typical Bellevue taxpayer in 2005. As shown in the pie chart, Bellevue's property tax levies make up only 15% of a property owner's tax bill. The largest components are the State school levy and the Bellevue School District levy.

Official property tax records are maintained by the King County Assessor's Office.



The following table displays the 2005 property tax bills for hypothetical low-, medium-, and high-priced houses.

	2005			
	Rate/\$1,000 of Assessed Value (AV)	Low AV= \$100,000	Medium AV= \$400,000	High AV= \$800,000
Emergency Medical Services	\$ 0.23	\$ 23	\$ 92	\$ 184
Port of Seattle	0.25	25	100	200
King County Library	0.53	53	212	424
<b>City of Bellevue</b>	<b>1.23</b>	<b>123</b>	<b>492</b>	<b>984</b>
King County	1.38	138	552	1,104
Bellevue School District	1.89	189	756	1,512
State School Levy	2.70	270	1,080	2,160
<b>Total</b>	<b>\$8.21</b>	<b>\$821</b>	<b>\$3,284</b>	<b>\$6,568</b>

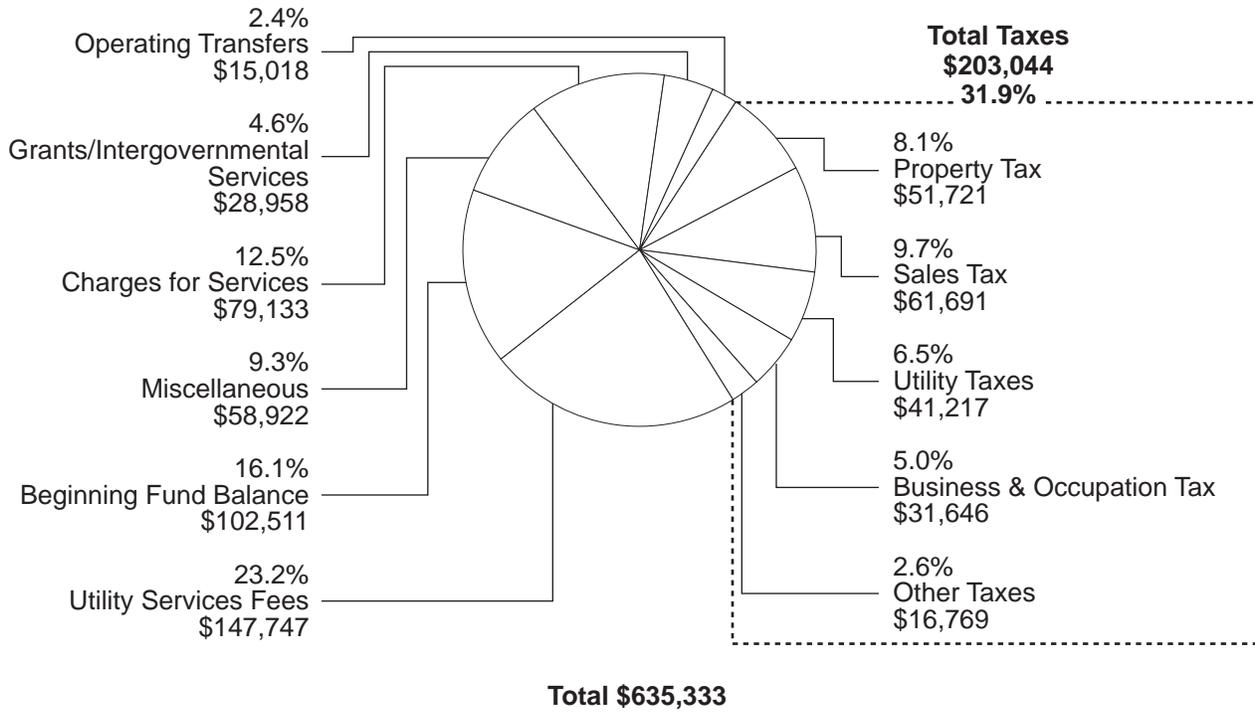
## B. OPERATING BUDGET RESOURCES

Figure 4-6 presents the 2005-2006 resource budget for the City's 23 operating budget funds. This graphic highlights that the largest operating budget resource categories are taxes at 31.9%, utility services fees at 23.2%, and beginning fund balance at 16.1%. Overall, operating budget resources are projected to increase by \$47.5 million or 8.1%.

- Sales tax revenues are projected to increase as the economy continues to show signs of recovery.
- Increased pass-through wholesale sewer costs to customers, increased reserve requirements, and cost associated with the Coal Creek settlement resulted in increased utility service fees.
- Beginning fund balance increased due to general growth in the economy resulting in increased revenue collections during the last biennium.

Figure 4-6

**2005-2006 Total Operating Budget Resources  
\$000**



**Comparison to 2003-2004 Budget**

	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Taxes</b>				
Sales Tax	\$54,223	\$61,691	\$7,468	13.8%
Property Tax	50,668	51,721	1,053	2.1%
Utility Taxes	40,046	41,217	1,171	2.9%
Business & Occupation Tax	28,297	31,646	3,349	11.8%
Other Taxes	14,239	16,769	2,530	17.8%
Subtotal Taxes	<u>187,473</u>	<u>203,044</u>	<u>15,571</u>	<u>8.3%</u>
Beginning Fund Balance	94,716	102,511	7,795	8.2%
Utility Service Fees	131,194	147,747	16,553	12.6%
Miscellaneous	50,899	58,922	8,023	15.8%
Operating Transfers	22,493	15,018	(7,475)	(33.2%)
Grants/Intergovernmental Services	27,635	28,958	1,323	4.8%
Charges for Services	73,413	79,133	5,720	7.8%
<b>Total Resources</b>	<u><b>\$587,823</b></u>	<u><b>\$635,333</b></u>	<u><b>\$47,510</b></u>	<u><b>8.1%</b></u>

Figure 4-7 is a summary of the General Fund resource changes from 2003-2004 to 2005-2006. General Fund resources are anticipated to increase \$15.7 million or 6.7% over 2003-2004.

- Beginning fund balance is anticipated to increase by 120.4%, mainly due to deliberate citywide expenditure control measures implemented in the 2003-2004 biennium.
- Sales tax collections are anticipated to increase \$7.5 million or 13.8% as the local economy continues to show signs of recovery.
- Business and occupation tax receipts are expected to be \$3.3 million or 11.8% higher than in 2003-2004. This growth is projected as a result of the anticipated increase in employment for the region. Growth in the business and occupation tax is assumed to be a function of employment growth and inflation.
- Utility tax collections are anticipated to be \$844,000 or 2.2% higher in 2005-2006 than in 2003-2004. Tax rates for electric, natural gas, water, sewer and storm drainage utilities were increased from 4.5% to 5.0% effective January 5, 2005. This increase was offset somewhat by the decline in telephone utility tax revenue projections based on 2003-2004 experience. Actual tax collections exhibited a substantial decline during the last biennium due to customers using alternative technologies.

Figure 4-7

**Summary of General Fund Resource Changes - By Source**  
**\$000**

<b>Resources</b>	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Sales Tax	\$54,223	\$61,691	\$7,468	13.8%
Property Tax	47,144	47,928	784	1.7%
Business & Occupation Tax	28,297	31,646	3,349	11.8%
Utility Taxes				
Electric Utility Tax	9,842	10,622	780	7.9%
Natural Gas Utility Tax	3,680	4,897	1,217	33.1%
Garbage Utility Tax	2,052	1,755	(297)	(14.5%)
Telephone Utility Tax	17,611	15,472	(2,139)	(12.1%)
Other Utility Taxes	4,893	6,175	1,282	26.2%
Subtotal Utility Taxes	<u>38,078</u>	<u>38,921</u>	<u>843</u>	<u>2.2%</u>
Other Taxes	5,745	6,478	733	12.8%
Licenses & Permits	765	260	(505)	(66.0%)
Grants	0	0	0	0.0%
Intergovernmental Services	27,514	28,803	1,289	4.7%
Charges for Services	20,879	22,312	1,433	6.9%
Fines & Forfeitures	1,437	877	(560)	(39.0%)
Miscellaneous	2,424	2,295	(129)	(5.3%)
Operating Transfers	4,514	1,627	(2,887)	(64.0%)
Beginning Fund Balance	<u>3,200</u>	<u>7,054</u>	<u>3,854</u>	<u>120.4%</u>
<b>Total General Fund Resources</b>	<u><u>\$234,220</u></u>	<u><u>\$249,894</u></u>	<u><u>\$15,674</u></u>	<u><u>6.7%</u></u>

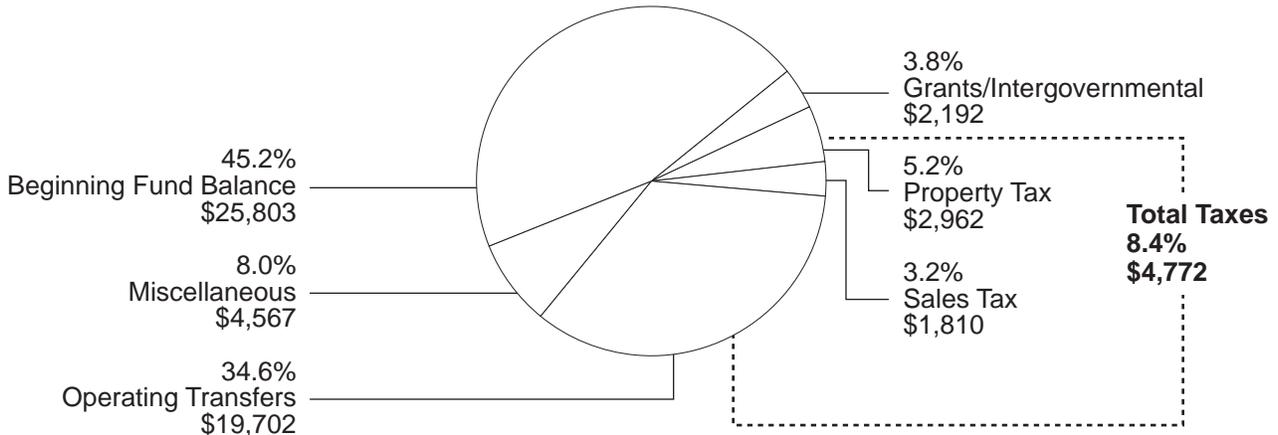
### C. SPECIAL PURPOSE FUNDS BUDGET RESOURCES

Figure 4-8 is a summary of the City's Special Purpose Funds resource changes from 2003-2004 to 2005-2006. Overall, Special Purpose Fund resources are projected to be \$3.6 million or 6.8% higher in 2005-2006 than in 2003-2004.

- Beginning fund balance is anticipated to drop by \$4.6 million in 2005-2006 compared to 2003-2004. This decrease is primarily due to the appropriation of Council reserves for the New City Hall project. Additionally, total debt reserve requirements decreased as a result of refinancing Utility bonds.
- Operating transfers increased \$10.0 million or 102% during the 2005-2006 budget primarily due to Council reserves budgeted to support debt service for the New City Hall.
- Grants/intergovernmental services revenues are lower mainly due to timing in budgeting for grant revenues.

**Figure 4-8**

**2005-2006 Special Purpose Budget Resources  
\$000**



**Total \$57,036**

**Comparison to 2003-2004 Budget**

	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$30,386	\$25,803	(\$4,583)	(15.1%)
Operating Transfers	9,744	19,702	9,958	102.2%
<b>Taxes</b>				
Sales Tax	200	1,810	1,610	805.0%
Property Tax	5,050	2,962	(2,088)	(41.3%)
Subtotal Taxes	5,250	4,772	(478)	(9.1%)
Miscellaneous	4,466	4,567	101	2.3%
Grants/Intergovernmental Services	3,571	2,192	(1,379)	(38.6%)
<b>Total Resources</b>	<u><b>\$53,417</b></u>	<u><b>\$57,036</b></u>	<u><b>\$3,619</b></u>	<u><b>6.8%</b></u>

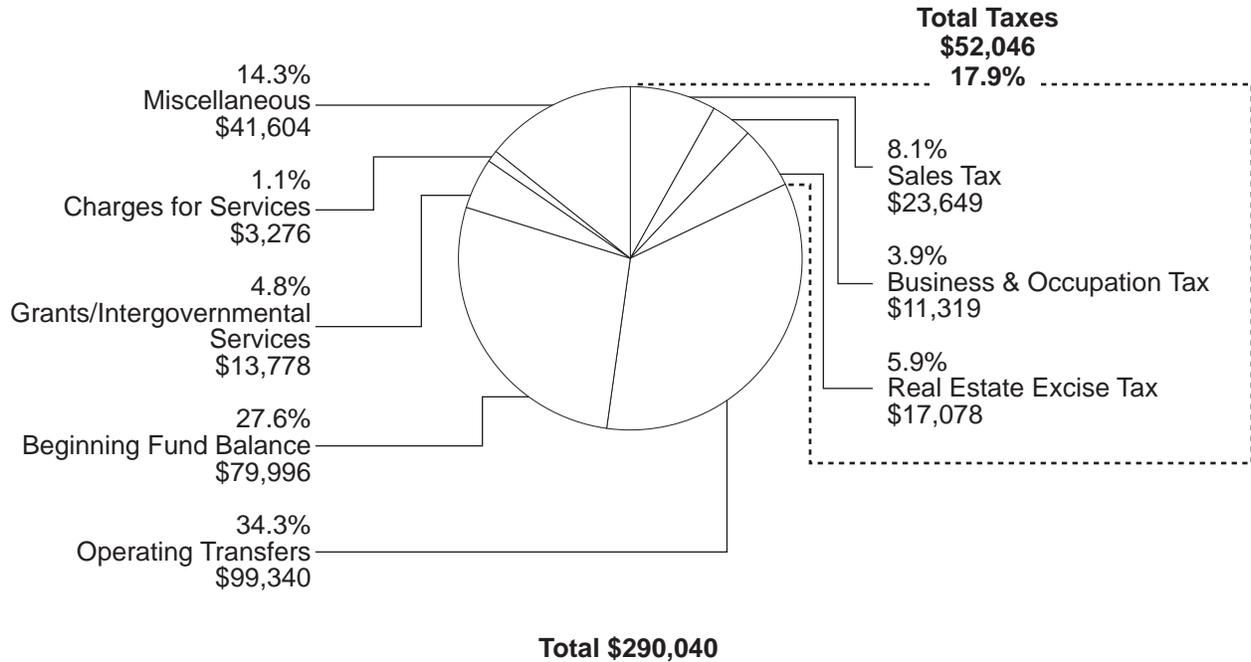
## D. CAPITAL PROJECT FUNDS BUDGET RESOURCES

Figure 4-9 is a summary of the City's Capital Project Fund resource changes from 2003-2004 to 2005-2006. Overall, Capital Project Fund resources are projected to be relatively equal to the 2003-2004 budget, although the amounts by resource category have changed since the last biennium.

- Sales and business & occupation taxes are projected increase by \$1.1 million or 3.2% as the local economy continues to show signs of recovery.
- Real estate excise tax receipts are projected to increase by \$4.0 million or 30.4% which reflects a continued improvement of the real estate market.
- Operating transfers are projected to increase by \$52.4 million primarily due to transfers from the 2004 New City Hall Bond Fund to support construction costs for the New City Hall (NCH-1).
- Beginning fund balance is projected to increase by \$60.2 million which reflects proceeds from the sale of bonds in 2004 for the New City Hall (NCH-1).
- Miscellaneous resources are projected to decrease by \$107.0 million primarily due to the receipt of one-time resources in 2003-2004 from the sale of the current City Hall campus and the sale of bonds for the New City Hall (NCH-1).
- Grants/Intergovernmental services revenues are projected to decrease by \$9.5 million primarily due to the loss of the local vehicle license fee and one-time revenues associated with Parks Property Acquisitions (P-AD-15) and other projects such as I-405/Bellevue Downtown Access (PW-I-46) and SE 28<sup>th</sup> Street Extension/Bellevue Community College Parking Lot Modifications (PW-R-144).

**Figure 4-9**

**2005-2006 Capital Project Budget Resources  
\$000**



**Comparison to 2003-2004 Budget**

	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Taxes</b>				
Sales Tax	\$23,155	\$23,649	\$494	2.1%
Real Estate Excise Tax	13,098	17,078	3,980	30.4%
Business & Occupation Tax	10,741	11,319	578	5.4%
Subtotal Taxes	<u>46,994</u>	<u>52,046</u>	<u>5,052</u>	<u>10.8%</u>
Operating Transfers	46,942	99,340	52,398	111.6%
Beginning Fund Balance	19,759	79,996	60,237	304.9%
Miscellaneous	148,649	41,604	(107,045)	(72.0%)
Grants/Intergovernmental Services	23,273	13,778	(9,495)	(40.8%)
Charges for Services	<u>4,528</u>	<u>3,276</u>	<u>(1,252)</u>	<u>(27.6%)</u>
<b>Total Resources</b>	<b><u>\$290,145</u></b>	<b><u>\$290,040</u></b>	<b><u>(\$105)</u></b>	<b><u>0.0%</u></b>



## Financial Forecasts

---

This chapter presents the General Fund and Enterprise Fund financial forecasts. Financial Forecasts has the following sections:

**A. General Fund Financial Forecast**

This section provides the full 2005-2010 General Fund Financial Forecast.

**B. Utility Funds Financial Forecast**

This section provides the full 2005-2010 Utility Funds Financial Forecast.

**C. Parks Enterprise Fund Financial Forecast**

This section provides the full 2005-2010 Parks Enterprise Fund Financial Forecast.

**D. Development Services Fund Financial Forecast**

This section provides the full 2005-2010 Development Services Fund Financial Forecast.

## A. GENERAL FUND FINANCIAL FORECAST

**Note: This forecast was prepared in October 2004 to assist the City Council with 2005-2006 Budget deliberations.**

### Executive Summary

The General Fund Financial Forecast (the Forecast) illustrates that our revised revenue base will be able to maintain the City's existing quality and mix of services through 2007. The Forecast builds upon the proposed 2005-2006 mix and level of resources and services and calculates future resource and expenditure estimates based on recent and anticipated economic trends. The expenditure reductions produced through the 2005-2006 budget process, in conjunction with revenue enhancements, provides a balanced budget in 2005-2006.

While the short-term financial outlook is positive, the long-term financial outlook includes projected shortfalls in 2008 through 2010. These shortfalls are largely the product of continued high rates of growth in expenditures, such as health benefits and State pension contributions, coupled with a loss of business and occupation (B&O) taxing authority in 2008.

### Overview

The Forecast illustrates how we expect the City's finances as a whole to perform over the six year period from 2005-2010. Some of the benefits of forecasting include:

- Provides insight into the long-term financial effects of current policies, programs, and priorities;
- Provides an early warning for potential problem areas to watch where alternative strategies may need to be developed;
- Assists in strategic decision-making and long-range planning efforts by allowing Council to see how programs fit within the overall context of City finances; and
- Illustrates the bottom line effect of current budget decisions on future resources.

The General Fund Forecast is divided into four sections:

- Section I: Economic Outlook discusses the major economic trends affecting the Forecast.
- Section II: Full Forecast Results summarizes the major revenue and expenditure trends in the current forecast.
- Section III: Resource Highlights provides a detailed discussion of the predicted growth or decline of the major economically sensitive revenue sources. Includes a discussion of major issues and risks associated with select revenues and issues not included in the base Forecast.
- Section IV: Expenditure Highlights provides an overview of the major drivers of expenditure growth in the Forecast. Includes a detailed discussion of major drivers and other issues not included in the base Forecast.

## Section I: Economic Outlook

The Forecast assumes a continued slow economic recovery. Revenues will recover at different rates, depending on their sensitivity to key factors such as employment, inflation, and personal income. These key factors affect retail sales, vacancy rates, and new development.

**Employment.** The Puget Sound area experienced a surge in employment growth during the first half of 2004, when approximately one-third of local jobs lost during the recession were recovered. Job growth is expected to climb to 2.5% in 2005 and level off around 2.2% in 2006. Prospects for additional new jobs remain encouraging in the near future, and the long-term outlook anticipates an average growth of 2.3% through the Forecast period.

**Retail Sales.** As the economy continues to recover, retail sales are expected to improve and grow at a moderate pace (an average of 6.2%), exceeding growth rates of the last biennium. The Lincoln Square development is expected to generate ongoing retail sales tax for the City beginning in 2006. However, for financial planning purposes, the Forecast anticipates a modest revenue increase beginning in 2006 (\$500,000 or 1.8% of General Fund sales tax). In addition, the Forecast assumes no extraordinary construction sales tax associated with Lincoln Square construction or Overlake Hospital expansion for added conservatism.

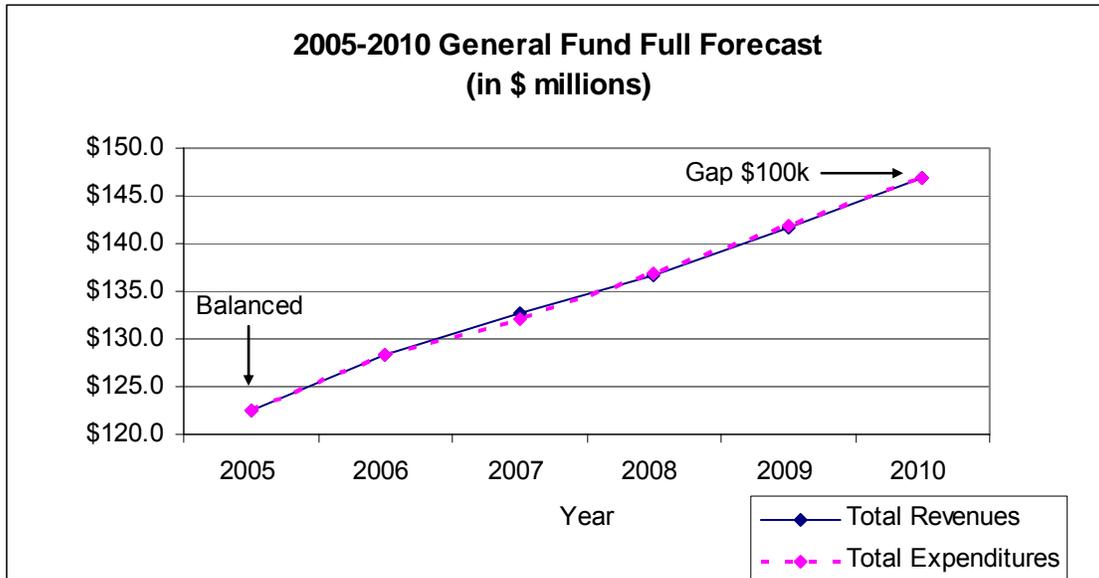
**Vacancy Rates.** Office vacancy rates in the central business district (CBD) have continued to decline and are expected to rapidly recover this year. Significant leases, either completed or anticipated, are projected to reduce the CBD vacancy rate from 19% to 8% by the end of 2004. Vacancy rates rose to an all time high of 28% in 2003. As vacancy rates fall, new commercial structures will become financially viable and additional construction may begin.

**New Development.** As the recovery continues and employment growth increases, businesses relocating in the CBD, along with new construction and growth, will continue to lift Bellevue from recession through the Forecast period. New development growth positively impacts property tax and sales tax. Declining office vacancy rates and new commercial development positively impact B&O tax and utility taxes.

**Section II: Forecast Results**

The Forecast builds on the proposed 2005-2006 budget’s mix and level of resources and anticipated service levels. The proposed budget modifications, which include budget reductions as well as revenue enhancements, will bring the budget into balance for 2005 and 2006. The Forecast projects that, by 2007, revenues will exceed expenditures by \$700,000. This surplus will reverse to a \$300,000 deficit in 2008 due to the impact of B&O apportionment (discussed in Section III). This deficit diminishes to \$100,000 by 2010.

On average, resource growth is expected to keep pace with expenditure growth, increasing an average of 3.7% per year through the Forecast period.



**(in \$ millions)**

	2005 Base Forecast	2006 Base Forecast	2007 Base Forecast	2008 Base Forecast	2009 Base Forecast	2010 Base Forecast
Total Revenues	\$122.5	\$128.3	\$132.7	\$136.6	\$141.6	\$146.8
Total Expenditures	122.5	128.3	132.0	136.9	141.8	146.9
Uncommitted Resources	\$0.0	\$0.0	\$0.7	-\$0.3	-\$0.2	-\$0.1

### Section III: Resource Highlights

This section includes a) a general discussion of resources; b) a detailed discussion of taxes; and c) a detailed discussion of other revenues.

#### A. Summary

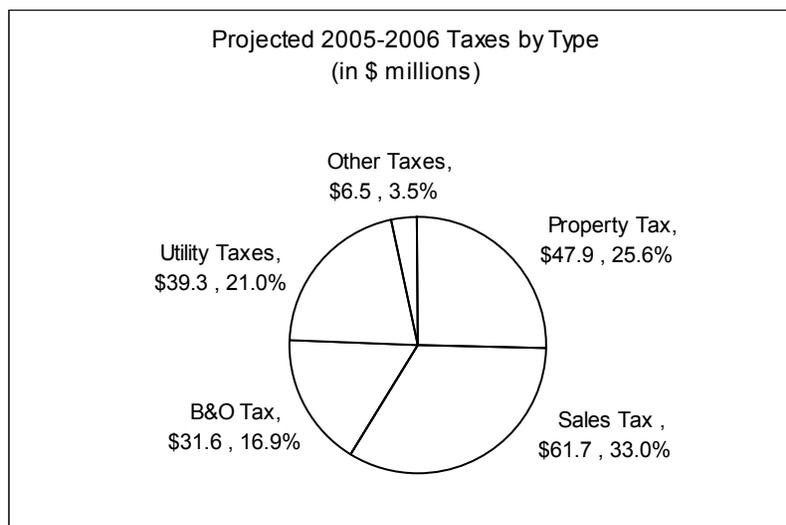
Resource growth is expected to average 3.7% through the Forecast period. As the economy continues to recover, the outlook for most economically sensitive taxes (75% of all resources) is positive. The exception is telephone utility tax, which experienced a significant drop in 2004. Much of this decline in telephone utility tax is due an accelerated substitution of traditional telephone services with wireless, internet, and cable television technologies. With continued substitution, customers are disconnecting their traditional telephone and using an alternative technology.

The telephone utility tax decline is expected to continue through the Forecast period and will remove \$10.4 million from 2005 to 2010 compared to the Early Outlook (see detailed discussion under B. Taxes). To counterbalance this decline, the proposed 2005-2006 budget contains a cable utility tax which is expected to generate an offset of \$6.2 million through the Forecast period.

Prospects for other revenues (25% of all resources) are also generally positive with the exception of fines and forfeits which is expected to decrease during 2005 (\$300,000). This decrease is due to the change to the contract with King County executed in November 2003 for the provision of municipal court services (see detailed discussion in C: Other Revenue Groups).

#### B. Taxes

For the 2005-2006 biennium, taxes are estimated to comprise 75%, or \$187.0, million of all General Fund resources. This group consists of sales, property, business and occupation (B&O), utility taxes, and other miscellaneous taxes. The following table illustrates the Forecasted percentage and amount by tax category for the 2005-2006 biennial budget.



As the economy recovers, taxes are projected to grow during the Forecast period. Each tax is discussed below.

**Sales Tax (\$61.7 million or 33% of taxes).** Collections are expected to increase (average of 6.4%) during the Forecast period. Ongoing sales tax is expected to be bolstered by the completion of Lincoln Square (\$500,000 per year beginning in 2006).

Contracting, retail trade, and wholesaling, which comprise 77% of the sales tax base, grew between 8% to 20% in the first nine months of 2004 compared to the first nine months of 2003. Each of these sectors is expected to continue this course of growth.

The Forecast does not include extraordinary one-time sales tax associated with the construction of Lincoln Square and the Overlake Hospital expansion. The potential General Fund allocation of one-time sales tax associated with these projects is estimated at \$1 million over three years (from 2005 to 2007).

**Property Tax (\$47.9 million or 25.6% of taxes).** Some increases are expected to occur in the early years of the Forecast as major new complexes are constructed. The Forecast assumes no property tax increase, other than from the authorized increases for new construction and adjustments for refunds, omitted assessments for prior years, etc.

**Business and Occupation Tax (B&O) (\$31.6 million or 16.9%).** B&O tax projections contemplate growth due to the anticipated increase in employment for the region. Bellevue's B&O collections in wholesaling, retailing, and services grew by 4% to 7% in the first two quarters of 2004. These sectors comprise 85% of the B&O tax base. The model assumes that growth is a function of inflation and employment growth.

- **Impact of Apportionment.** State legislative changes to the B&O tax are expected to adversely affect Bellevue's General Fund and Capital Improvement Program Fund (CIP) beginning in 2008. Apportionment may narrow our current tax base by reallocating a portion of it to other jurisdictions. Growth is expected to average 5.7% through the Forecast period, despite the effects of B&O apportionment in 2008. The legislative changes are very complex and impacts are difficult to estimate and prone to estimation error. However, preliminary estimates of reductions are between \$1 million and \$3 million for the General Fund and up to \$1 million for the CIP beginning in 2008. The General Fund impact is included in the Forecast; the CIP impact will be reflected in the 2005-2011 CIP update.

**Other Taxes (\$6.5 million or 3.5%).** This tax category includes criminal justice sales tax, admissions tax and business tax penalty. Criminal justice sales tax is distributed based on the proportion of Bellevue's population compared to King County's and the State's population. This revenue is expected to grow an average of 5.3% during the Forecast. Admissions tax and business tax penalties are expected to rise at the rate of inflation.

**Utility Taxes (\$39.3 million or 21% of taxes).** Utility taxes consist of several taxes. The following table illustrates the relative proportion of each utility tax for the 2005-2006 biennium.

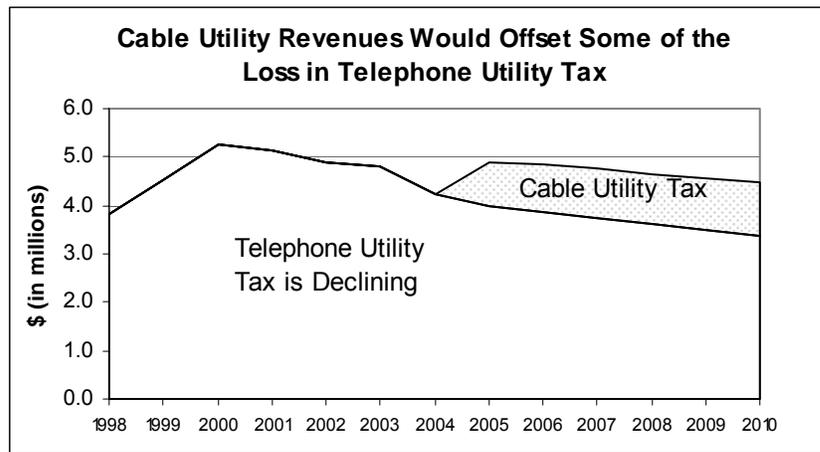
<u>Utility Tax</u>		
Electric	\$9.9	25.2%
Gas	4.6	11.6%
Cellular Phone	7.8	19.8%
Telephone	7.7	19.6%
Cable Television	1.9	4.8%
Sewer	2.5	6.3%
Garbage/Solid Waste	1.8	4.5%
Water	2.1	5.2%
Storm/Surface	1.0	2.6%
<b>Total</b>	<b>\$39.3</b>	<b>100%</b>

**Electric (\$9.9 million or 25.2% of utility taxes) and Gas (\$4.6 million or 11.6% of utility taxes) Utility Taxes.** Electric and gas utility taxes are expected to grow an average of 2.4% and 6.2% respectively per year through the Forecast period. This increase does not take into account additional growth associated with declining office vacancy rates as a conservative revenue estimating practice. Gas rates will increase in 2005 and this rate increase is reflected in the Forecast.

**Cellular Telephone Utility Tax (\$7.8 million or 19.8% of utility taxes).** The Forecast assumes that the rate of growth will slow through the Forecast period. Experts have estimated that Bellevue has reached a point of market saturation and should anticipate slower growth in the future. In addition, price declines for cellular services are expected to slow the growth in this revenue. Historically, cellular utility tax grew at between 11% and 36% per year; the Forecast assumes an average annual growth rate of 6.9%.

**Telephone Utility Tax (\$7.7 million or 19.6% of utility taxes).** Over the past several months telephone utility tax has continued to drop substantially. Much of this decline in telephone utility tax is due to an accelerated substitution of traditional telephone services with wireless, internet, and cable television technologies. With continued substitution, customers are disconnecting their traditional telephone and using an alternative technology. This trend is expected to continue and projections have been revised downward substantially and are expected to continue to decline indefinitely over the next several years. The telephone utility tax decline is expected to continue through the Forecast period and will remove \$10.4 million from 2005 to 2010 compared to the Early Outlook.

**Cable Television Utility Tax (\$1.9 million or 4.8% of utility taxes).** The Forecast assumes the inclusion of a Cable Utility Tax. This tax is expected to partially offset the loss in Telephone Utility Tax (see graph below). Cable utility tax is expected to grow at the rate of inflation plus population growth.



**Wastewater Utility Tax (\$2.5 million or 6.3% of utility taxes).** Wastewater utility rate increases, associated with pass-through costs from King County, are expected to increase General Fund receipts by approximately \$100,000 per year through the life of the Forecast. The METRO/King County Council adopted an increase in wastewater treatment rates of 9.4% (from \$23.40 to \$25.60) per month for an equivalent residential unit. The increase in wholesale treatment costs will result in a rate increase of approximately 7.3% to Bellevue sewer customers beginning in 2005.

**Water (\$2.1 million or 5.2%), Storm and Surface Water (\$1.0 million or 2.6%), and Garbage (\$1.8 million or 4.5%) Utility Taxes.** The Forecast assumes that the Water, Storm, and Surface Water Utilities will continue to rise at the historical average rates of growth (an average of 4.1% to 5.1%). Garbage Utility tax is expected to decline in 2005 due to the recently negotiated solid waste contract and rise by the rate of inflation from 2006 forward.

### C. Other Revenue Groups

For the 2005-2006 biennium, other revenues are estimated to comprise 25%, or \$64.0 million, of all General Fund resources. Other revenues consists of intergovernmental, charges for services, beginning fund balance, miscellaneous, other finance sources, fines and forfeits, and licenses and permits. The following table illustrates the forecasted percentage and amount by revenue group for the 2005-2006 biennial budget.

<u>Revenue Group</u>		
Intergovernmental	\$28.7	44.8%
Charges for Services	23.0	35.9%
Beginning Fund Balance	7.1	11.1%
Miscellaneous	2.2	3.5%
Other Finance Sources	1.8	2.8%
Fines/Forfeits	0.9	1.4%
Licenses & Permits	0.3	0.5%
<b>Total</b>	<b>\$64.0</b>	<b>100%</b>

Each revenue group is discussed below, in order of largest to smallest.

**Intergovernmental Revenues (\$28.7 million or 44.8% of other revenues).** This group includes liquor excise tax, emergency medical services (EMS), and motor vehicle fuel tax. Revenues such as motor vehicle fuel tax and liquor excise tax are expected to continue to show little growth due to low population growth. Revenue growth for regional contract services including EMS, fire services and dispatch are expected to grow an average of 2.2% for the Forecast period. Dispatch revenues are expected to decline in 2005 and 2006 due to lower projected reimbursements from King County Emergency 911.

**Charges for Services (\$23 million or 35.9% of other revenues).** Charges for services, which include fire inspection fees, parks and recreation fees, probation charges, and interfund charges, are expected to increase modestly (0.4% to 10.6%) during the Forecast period. Fire inspection fees, which will support the addition of two fire inspectors, provide a new revenue for the Forecast. In addition, the South Bellevue Community Center is scheduled to open in 2006 and will provide an additional \$400,000 per year in culture and recreation fees. Interfund revenue growth remains essentially unchanged over the prior Forecast.

**Beginning Fund Balance (\$7.1 million or 11.1% of other revenues).** Beginning fund balance or resources forward, is assumed at 3% of total budget.

**Miscellaneous (\$2.2 million or 3.5% of other revenues).** Investment interest is expected to increase modestly over the current rates of return as the economy continues to improve.

**Other Finance Sources (\$1.8 million or 2.8% of other revenues).** Includes operating transfers from Cable Franchise and Development Services. Contributions from Cable Franchise are expected to rise at the rate of inflation while other transfers are not expected to increase.

**Fines and Forfeits (\$900,000 or 1.4% of other revenues).** Due to recent changes in the King County Court Service contract, Bellevue anticipates receiving approximately \$300,000 less per year beginning in 2005.

- **Provision of Municipal Court.** Bellevue's contract with King County expires at the end of 2006. The provision of court services remains an area of significant uncertainty for Bellevue. If the City establishes a facility for these services, initial one-time costs are estimated at between \$500,000 and \$1 million. The current Forecast assumes the current relationship will continue indefinitely and does not include initial set-up costs. The City will continue to work on resolving this major uncertainty.

**Licenses and Permits (\$300,000 or less than 0.5% of other revenues).** Licenses and permits, which include business registrations and concealed weapons fees, are expected to increase modestly during the Forecast period.

## Section IV: Expenditure Highlights

This section includes a) a general discussion of expenditures and b) a detailed discussion of major drivers.

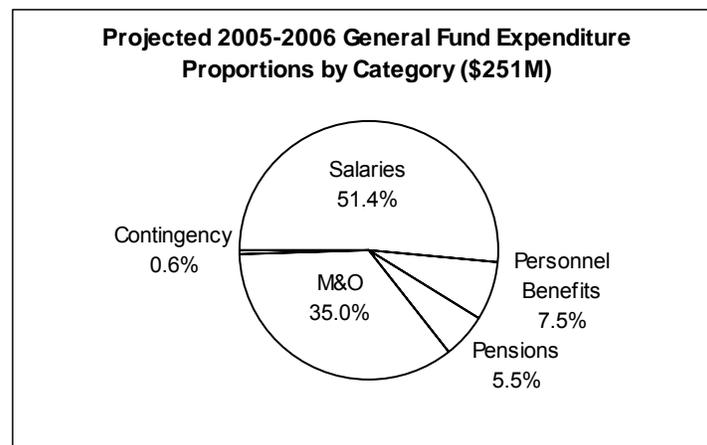
### A. Summary

Expenditure growth is expected to average 4.3% in 2005 and 2006 and then decline to an average of 3.4% through 2010. Three significant cost drivers, which account for \$1.8 million of the \$4.5 million General Fund expenditure growth in 2005, contribute to the expenditure spike including:

- Health Benefits costs
- State mandated retirement plans
- Workers' Compensation Costs

In addition, during 2005-2006 several capital projects, including the South Bellevue Community Center, New City Hall, and Enterprise Resource Planning (ERP) System will become fully operational. Ongoing General Fund expenditures are expected to increase by \$700,000 in 2005 with an additional increase of \$1.1 million in 2006.

As the table illustrates below, salaries are the largest expenditure component, followed by maintenance and operating (M&O), personnel benefits, pensions, and General Fund contingency. Each expenditure group is discussed below.



**Salaries (\$128.7 million or 51.4%).** Total salary costs are expected to raise an average of 2.9% per year through the Forecast period. Current inflation projections for 2005 and 2006 (2.5% to 2.7%) are higher than the rates used in the Early Outlook (1.3% to 2.7%). Position reductions, coupled with the ERP staffing reductions in 2007 (see B. Major Drivers), are expected to moderate salary growth.

**Maintenance and Operating (M&O) (\$87.7 million or 35%).** Lower than historical average inflation is expected to temper growth in M&O expenditures. However, several new projects including the South Bellevue Community Center, New City Hall, and Enterprise Resource Planning System will become fully operational. Ongoing General Fund expenditures are expected to increase by \$700,000 in 2005 with an additional increase of \$1.1 million in 2006.

**Personnel Benefits (\$18.9 million or 7.5%) and Pensions (\$13.7 million or 5.5%).** This includes workers' compensation, health benefits, and state pensions. Costs are expected to rise substantially. A detailed discussion is included in B. Major Drivers.

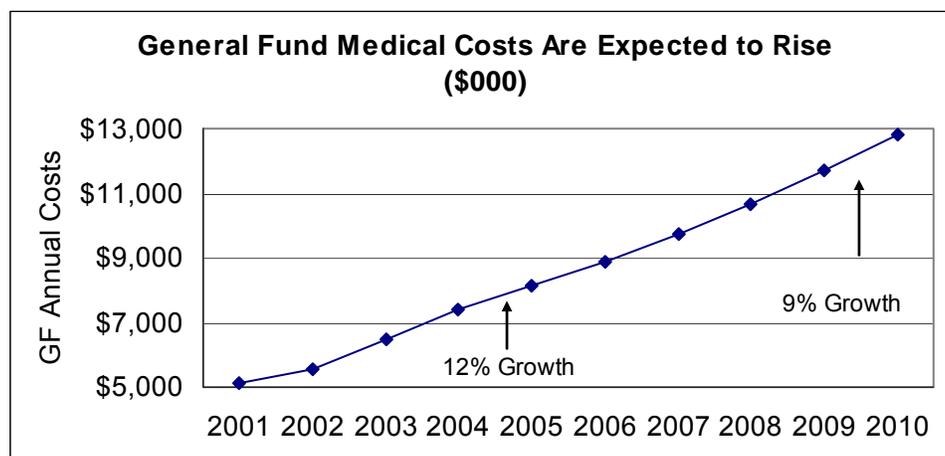
**General Fund Contingency (\$1.5 million or 0.6%).** Per City policy, contingency is assumed at 0.6% of total budget.

### B. Major Drivers

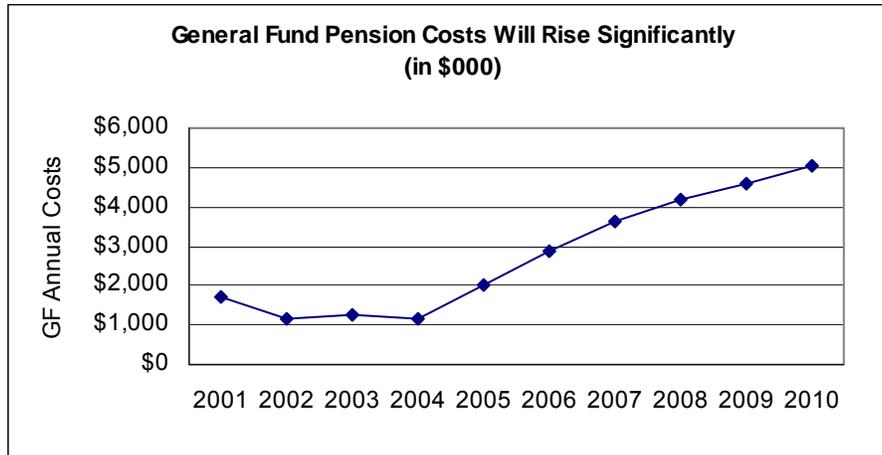
**Health Benefit Costs.** Nationwide, health care costs have continued to rise dramatically. Similarly, Bellevue's health care costs have risen substantially over the past few years. The Forecast assumes significantly higher City share costs for employee health benefits. Based on our health benefits consultant's projections, City costs are expected to increase from \$8,220 per employee in 2004 (estimated), to \$9,079 per employee in 2005 (estimated). This represents a 11% cost increase. Budgeted City expenditures in 2005 are expected to increase by \$800,000 compared to 2004.

Numerous cost control measures, including higher co-payments or deductibles, setting limits for certain kinds of care, and increased premium sharing are being evaluated. The objectives of these measures are twofold: for employees to pay a larger portion of their health care costs and for employees to be more aware of costs when making health care decisions. The City currently pays 94% of the premium for LEOFF (Law Enforcement Officers and Firefighters) employees and 88% for non-LEOFF employees. These percentages may shift over time as employees pay for a share of the increase in health benefits costs.

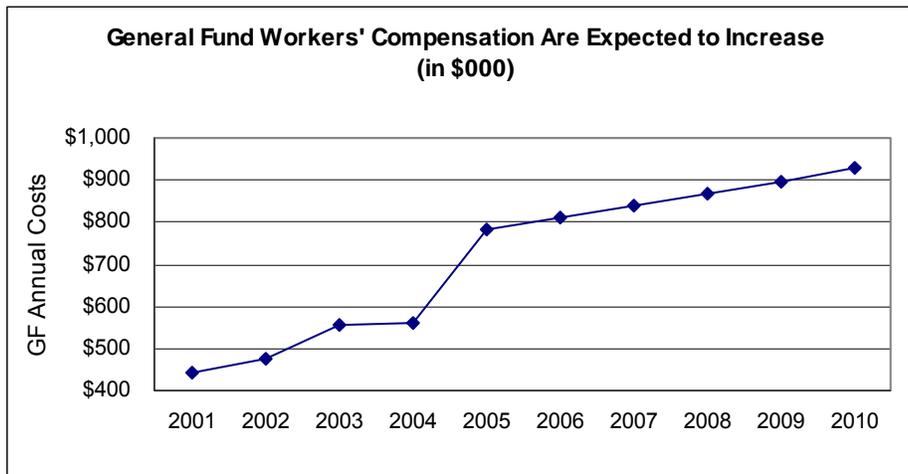
Due to this shift in employee cost sharing, the Forecast assumes that the City's growth in costs will moderate during the Forecast period from a budgeted 12% increase in 2005 to an average budgeted increase of 9% each year from 2006 to 2010 (see graph below). These corrective actions are expected to better match revenues with expenditures and replenish depleted reserves. Despite these measures, General Fund expenditures are expected to rise from \$5.1 million in 2001 to \$12.7 million by 2010.



**Pension Rate Increases.** The State of Washington is increasing mandated retirement contributions from cities through the Forecast period. As a consequence, City retirement contributions to PERS 1, 2, and 3 and LEOFF 2 will increase significantly in 2005 and beyond (with no change to LEOFF I employer rates). General Fund contributions are expected to rise \$740,000 in 2005 and continue to rise on average \$610,000 (21%) per year through the Forecast period.



**Workers' Compensation Costs.** Over the past several years, workers' compensation benefit payments for medical, time loss and disability claims increased substantially. Based on a recent actuarial study, increased contributions are necessary to better match expenditures and resources. In addition, reserves require replenishment (based on policy and actuarial recommendation). In total, General Fund costs are expected to rise \$235,000 (40%) beginning in 2005. In 2006 through 2010 the rate of increase is expected to drop to an average of 3.6% per year. The following graph illustrates an initial spike in costs in 2005 with more modest cost increases over time.



**Impact of Position Reductions Associated with the Enterprise Resource Planning System (ERP).** The ERP System is projected to result in operational efficiencies when fully implemented. Staff has committed to a reduction of 18 positions (13 in the General Fund; 5 in other funds) by the end of 2006.

The 2005-2006 Budget accelerates cost savings due to efficiencies from implementing the ERP system (7.44 positions for all funds). In the General Fund, 4.44 positions will be eliminated ahead of schedule.

**Impact of 2005-2006 position reductions.** The 2005-2006 Budget includes the elimination of 7.2 FTE positions as a result of efficiency gains, 5.2 of these positions are in the General Fund.

**Impact of New Programs and New Facilities.** The 2005-2006 Budget includes the addition of 2 FTEs for fee-based fire inspection services and 4 FTEs to staff the South Bellevue Community Center which is scheduled to open in 2006. These expenses are expected to continue through the Forecast period.

In addition, during 2005-2006 several capital projects, including the South Bellevue Community Center, New City Hall, and Enterprise Resource Planning System will become fully operational. Expenditures are expected to increase by \$700,000 in 2005 with an additional increase of \$1.1 million in 2006. These expenditures are expected to continue through the Forecast period.

**Enhanced Economic Development.** The Forecast includes an additional \$200,000 per year to enhance the City's economic development initiative. This program will focus Bellevue's resources toward long-term economic and regional strategies aimed at stimulating economic growth and strengthening the local economy.

**Rainy Day Reserve Contribution.** As the economy recovers, revenues are expected to grow. The Forecast projects that the City will contribute an average of \$200,000 per year to the Rainy Day Reserve Fund through 2010.

## B. UTILITY FUNDS FINANCIAL FORECAST

This section contains the 2005-2010 Financial Forecast for the City's Water, Sewer, and Storm & Surface Water Utility Funds, based on amounts reflected in the Utilities 2005-2006 Budgets.

### EXECUTIVE SUMMARY

#### Introduction

The following key financial policies approved by Council in 1995, and updated in 1997/1998, are incorporated in these financial forecast results:

- Consolidated reserve funding policies which define target and minimum reserve levels for each Utility fund;
- Operating reserve management policies which stipulate the transfer of greater than anticipated year-end reserves (ending fund balances) to the CIP Renewal & Replacement (R&R) Account;
- Capital reinvestment policies for future replacement of Utility infrastructure systems which base transfers to the CIP R&R Account on long-term capital investment;
- System expansion and connection policies which stipulate all capital-related Capital Recovery Charges (CRCs) and Direct Facility Charges will be deposited directly to the CIP R&R Account; and
- Rate planning policies which set rates at a level sufficient to cover current and future expenses and maintain reserves consistent with Utility financial policies and the long-term financial plans, and to pass through wholesale cost increases directly to customers. Inflationary indices are used as a basis for evaluating rate increases but no longer limit the growth in local programs.

#### Significant Issues

Significant issues expected to impact the Utilities' current and future financial performance are briefly discussed below:

1. **King County/METRO Wastewater Treatment Costs.** On June 14, 2004, the King County/METRO Council adopted an increase in the wastewater treatment rate of 9.4% (from \$23.40 to \$25.60) per month/equivalent residential unit. By Council policy, wholesale cost increases are passed through to the customer. The current forecast includes the impact of the adopted 2005 rate increase and projected rate increases through 2010.
2. **Cascade Water Alliance.** Effective January 1, 2004, the City of Bellevue signed a new water purchase arrangement with the Cascade Water Alliance (CWA) and relinquished its existing contract with Seattle. The new arrangement with CWA had an impact on how Bellevue reserves for operating contingencies and on the amount of total water charges from CWA, which are expected to be lower than costs currently budgeted in 2004.

3. **Pavement Restoration.** When repairs are made to the City's utilities located in paved roads, the pavement must be restored. The long-standing practice has been for Bellevue Utilities to install pavement patches only slightly larger than the area of disturbance. Utilities has infrequently performed more extensive pavement restoration by "grind and overlay" when a road has been recently overlaid or when the Transportation Department specifically requested it in response to premature pavement degradation. Transportation is requesting that Utilities follow Bellevue City Code, the Transportation Design Manual requirements, and the general policy of restoration by grind and overlay in all cases where the road is in good condition as determined by the Pavement Management Rating System. This policy is intended to extend the useful life of the road, and is in place for all others (franchise utilities, developers, private citizens, etc.) performing work in the right-of-way.
4. **Stormwater National Pollutant Discharge Elimination (NPDES) Permit.** In order to protect water quality, the federal Clean Water Act (CWA) established a requirement for municipalities to obtain a permit to discharge stormwater called the National Pollutant Discharge Elimination System (NPDES) permit. The Environmental Protection Agency (EPA) designated the Washington State Department of Ecology as the permitting authority. NPDES permits are scheduled for issuance to local jurisdictions in 2005. Once obtained, the permit assures certain management practices are in place and also provides legal protection for the municipality from 3rd party lawsuits for stormwater discharges.
5. **Endangered Species Act (ESA).** This effort would seek compliance with the Endangered Species Act for the array of municipal stormwater management activities provided by the entire City organization. Work with the National Oceanic and Atmospheric Administration (NOAA) Fisheries, the US Fish and Wildlife Service, the State of Washington, Tribes, local governments and other stakeholders would be involved. A WRIA salmon conservation plan and Puget Sound Salmon Recovery Plan will lead to identification of projects, programs, responsibilities, timelines and funding requirements. The budgetary impact of such a plan will not be known until 2007. No funding placeholder has been included in the current forecast.
6. **Coal Creek Lawsuit Settlement Agreement.** In 2003 the Newport Shores Yacht Club and a private citizen jointly sued the City and King County for violations of the Clean Water Act and Endangered Species Act and a nuisance claim related to sedimentation. A settlement agreement was reached that dedicates funding towards resolving problems versus costly litigation. This agreement addresses long-term issues that affect Lake Washington and Newport Shores. Part of the settlement agreement includes a package of capital projects throughout the basin, intended to reduce the amount of upstream erosion. This suite of projects will stabilize upstream slopes, reduce erosion, and capture sediment that is transported. They will help reduce downstream sedimentation and preserve the flood control functions of downstream facilities, as well as improve stream conditions for fish. These projects are included as new projects in the 2005-2011 CIP.
7. **Renewal & Replacement Funding.** Bellevue Utilities recently completed two studies that drew upon worldwide studies of infrastructure life and additional Bellevue system condition information to refine the assumptions used to develop the original Renewal & Replacement (R&R) plan. The engineering firm of Black & Veatch (B&V) evaluated the Utilities infrastructure condition and replacement needs, and Financial Consulting Solution Group (FCSG) assisted in the funding and sensitivity analysis. These studies determined that replacement costs for existing infrastructure are understated, that the R & R plan should include all utility infrastructure, and that assets are expected to last longer than had previously been assumed. The first two findings are expected to increase R & R funding needs significantly. This increase will be mitigated somewhat by the newly developed useful lives and survival curves, which indicate that assets are expected to last longer than earlier projected.

In addition to the above adjustments to the existing R&R assumptions, the B&V study endorsed a long-term vision for significantly increasing condition assessment (i.e., cleaning and video inspection of pipe), especially for the Storm & Surface Water system, since condition of the system is largely unknown at this time. Growing the condition assessment programs would require several years and additional funding. Enhanced condition assessment may result in additional or accelerated capital needs, depending on the findings of the condition assessment programs. It is anticipated that a third-phase refinement of R&R assumptions will be carried out in another decade when condition assessment programs have reached maturity.

**8. New Capital Projects.** There are several capital projects highlighted as being high priority during this forecast period. These include infrastructure replacement projects, projects to meet capacity in the CBD area, projects to meet regulatory requirements, and projects to address flooding problems.

### **Sensitivity and Risks**

Each item discussed above could potentially affect annual Utility costs and rate requirements over the forecast period. Changes in inflation rates for various services can also affect annual cost levels. Each projection made in this forecast is based on the best information currently available, but actual costs and revenues in future years may be higher or lower than forecasted amounts, as changes in prevailing economic conditions or other circumstances influence actual Utility financial outcomes.

## KEY ASSUMPTIONS

### Overall:

- An investment interest rate of 2.5% and 3.0% is assumed in 2005 and 2006 respectively, increasing by 0.25% per year thereafter starting in 2007 until it reaches 4.0% in 2010.
- In general, an annual 3.6% growth in miscellaneous revenues is assumed in 2005 through 2010.
- All Direct Facility Charges and Capital Recovery Charges will be deposited directly to the CIP Renewal & Replacement Accounts.
- General salary adjustments are based on 90% of inflation and include a salary and benefit under expenditure rate based on historical spending trends.
- No FTE growth is assumed.
- Operating expenses other than personnel are expected to increase by the Consumer Price Index (CPI) starting in 2006. Operating expenses for 2005 do not include an inflationary adjustment.

### Water:

- Average annual customer/volume growth of 0.12% is assumed in 2005 through 2010.
- Cascade Water Alliance (CWA) wholesale water costs are projected to decrease slightly in 2005. This forecast assumes CWA water cost increases of an average of 9.2% in 2006 and 2007 and by about 5% annually thereafter through 2010. Due to savings in the Water fund, the pass through effect of these rate increases will not impact Bellevue customers until 2008 when projected rate increases from CWA will result in annual rate increases for Bellevue customers of 2.9% in 2008 through 2010.
- Total Bellevue Water rates will increase by 3.7% in 2005 to fund some new initiatives and due to the increase in the City of Bellevue utility tax rate. No rate increases are projected for 2006 and 2007 and an average rate increase of 5.5% is currently projected for the remaining forecast period from 2008 through 2010.

### Sewer:

- Average annual customer/volume growth of 0.25% is assumed in 2005 through 2010.
- King County-METRO rates for wastewater treatment are projected to be \$25.60 per equivalent residential unit (increase of 9.4%) for 2005 and 2006. METRO rates are projected to increase by 11.5% for 2007 and an average of 2.6% annually from 2008 through 2010. The resulting pass-through rate increases to Bellevue customers are estimated to be 7.3% in 2005, 0.0% in 2006, 8.7% in 2007, and approximately 2.0% annually from 2008 through 2010.
- Total Bellevue Sewer rates (local and METRO components) will increase by 12.0% in 2005 and by 1.6% in 2006. Projected rate increases for 2007 through 2010 are 11.0%, 3.4%, 4.2%, and 4.1% respectively.

**Storm & Surface Water:**

- Average annual customer base growth is assumed to be 0.35% in 2005 through 2010.
- Storm & Surface Water rates will increase by 9.4% in 2005 and 7.1% 2006. The rate increase for 2006 is 2.3% higher than was projected in the Preliminary Forecast due to finalization of terms of the Coal Creek settlement and 0.5% higher due to the increase in the City of Bellevue's utility tax rate. Average annual rate increases of 4.7% are projected for the remaining forecast period from 2007 through 2010.

## FORECAST RESULTS

This section contains an analysis of each of the three Utility Funds' financial forecast. A separate page describes the system costs and revenue requirements for each Utility, and is followed by the actual financial forecast for that fund which provides year-by-year information on projected rate increases, revenues and expenses by category, and reserves.

### Water System Costs and Revenue Requirements

Over the forecast period, rate revenues are projected to grow from \$27.8 million in 2004 to \$32.7 million in 2010, or by an average annual increase of 2.7%. Rate revenues show a decrease from 2004 to 2005 and minimal growth in 2006 and 2007, mainly due to elimination of wholesale water sales to Redmond and Issaquah and use of savings to fund cost increases in 2005, 2006, and 2007. Of the \$4.8 million increase in annual rate revenues over the interval, \$4.6 million is due to projected rate increases; the remaining \$0.2 million is due to growth in the number of customer accounts and related water volumes.

Based on historical collection experience, annual growth in other Utility revenues is projected at 3.0% in 2005 through 2010, and includes developer fees, rental revenue, and other miscellaneous items. Interest earnings are expected to grow at an average annual rate of about 22%, largely due to high reserve levels in the early part of the forecast period.

Effective January 1, 2004, Bellevue relinquished its existing contract with Seattle and signed a new water purchase arrangement with the Cascade Water Alliance (CWA), the new water supplier for the greater Eastside. The current budget and forecast include projected water rate increases under this new arrangement with CWA. Wholesale water purchases represent 37% of total projected Water expenses for the upcoming 6-year period. Total water purchase costs are expected to be lower under the new CWA contract primarily because we are no longer supplying water to Redmond and Issaquah, are funding regional capital costs through new development, and the wholesale water purchase rates from CWA are projected to be lower in the short-term. After an initial decrease in water purchase costs of approximately \$3.4 million from 2004 to 2005, water costs are expected to increase annually by 9.2% in 2006 and 2007 and by an average of 5.0% annually for the remaining forecast period from 2008 through 2010. This translates into an average pass-through rate increase for Bellevue customers of approximately 5.3% in 2006 and 2007 and an average of 2.9% for 2008 through 2010. Savings in wholesale costs will be used to wholly or partially offset cost increases for 2005, 2006, and 2007.

Growth in annual City utility and other tax payments over the forecast period are due to impacts of projected customer/volume growth, rate increases on taxable revenues, and the 0.5% increase in the City utility tax rate adopted by Council on December 8, 2004. Approximately 82% of Water rate revenues were billed to customers within City limits and therefore subject to 5% Bellevue Utility tax. This ratio is projected to continue over the forecast period and no other changes in tax rates or procedures have been assumed.

Water CIP transfers are projected to equal \$34.0 million over the 6-year period. Of this amount, \$24.6 million is needed to support projects approved in the CIP plan. The remaining \$9.4 million will be deposited to the Water Renewal & Replacement (R&R) Account. Annual amounts deposited to the R&R Account are based on infrastructure replacement needs per the Utility's long-term capital investment plan and were updated to incorporate recommendations from two recent studies which looked at infrastructure condition and replacement needs.

Water personnel costs are projected to increase by 6.4% per year on average, in 2005 through 2010, largely due to higher pension and medical inflation projected by the City Budget Office. Other operating expenses include supplies and outside services which are projected to increase by annual inflation rates beginning in 2006 and adjusted for a 1.5% under expenditure factor. Interfund payments to other city funds are projected to decrease by approximately 9% per year in 2005 and 2006, largely due to a drop in General Self Insurance premiums and reduction in technology costs. Forecast period beyond the current biennium assumes interfund payments at historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance. Annual contributions are made to the account to maintain a minimum ending balance in the account over the long-term planning period. The Utility revenue requirement is based on the ARA contribution amount, instead of projected asset purchases, to provide greater rate stability.

Water reserve status shown in this forecast is based on calculated target reserve amounts defined by the Utilities Consolidated Reserve Policy. The target reserve levels have been updated based on the recently completed cost of service study, which recommended that reserve levels be increased to mitigate the "take or pay" arrangement for wholesale water costs under the new CWA water arrangement. The long-range objective under the Utilities Reserve Policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account. During this forecast period, in addition to contributing toward the CIP R&R Account, some reserves are purposely being kept in the operating fund to mitigate rate increases in 2005, 2006, and 2007. For this reason, during the entire forecast period, reserves will exceed target reserve levels.

**WATER UTILITY FUND  
FINANCIAL FORECAST  
2005 THROUGH 2010**

PROJECTED RATE INCREASES	2004 Amended Budget	2005 Adopted Budget	2006 Adopted Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Pass-Through CWA Increase	4.7%	0.0%	0.0%	0.0%	2.9%	2.9%	2.9%
Local Program Increase	1.8%	3.7%	0.0%	0.0%	2.1%	2.6%	3.1%
<b>TOTAL RATE INCREASE</b>	<b>6.5%</b>	<b>3.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>5.0%</b>	<b>5.5%</b>	<b>6.0%</b>

Projected Annual CPI Increases	2.6%	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%
--------------------------------	------	------	------	------	------	------	------

ANNUAL BUDGET BY CATEGORY	2004 Amended Budget	2005 Adopted Budget (2)	2006 Adopted Budget	2007 Budget Estimate (3)	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
<b>Beginning Fund Balances:</b>							
Operating Reserves	\$ 2,899,845	\$ 7,210,557	\$ 8,712,644	\$ 9,743,861	\$ 9,351,853	\$ 8,672,158	\$ 8,049,271
Asset Replacement Account	1,273,420	1,413,868	1,662,374	1,920,705	1,757,119	2,032,395	2,307,000
Subtotal	\$ 4,173,265	\$ 8,624,425	\$ 10,375,018	\$ 11,664,566	\$ 11,108,972	\$ 10,704,553	\$ 10,356,271
<b>REVENUES:</b>							
Water Rate Revenues	\$ 27,830,365	\$ 27,813,853	\$ 27,854,624	\$ 27,891,385	\$ 29,183,644	\$ 30,804,840	\$ 32,664,621
Interest/Other Revenues	1,908,625	1,937,308	2,120,776	2,318,494	2,366,430	2,418,207	2,471,189
Subtotal	\$ 29,738,990	\$ 29,751,161	\$ 29,975,400	\$ 30,209,879	\$ 31,550,074	\$ 33,223,047	\$ 35,135,810
<b>TOTAL BUDGET (Sources)</b>	<b>\$ 33,912,255</b>	<b>\$ 38,375,586</b>	<b>\$ 40,350,418</b>	<b>\$ 41,874,445</b>	<b>\$ 42,659,046</b>	<b>\$ 43,927,600</b>	<b>\$ 45,492,081</b>
<b>EXPENSES:</b>							
CWA Water Purchases	\$ 13,073,458	\$ 9,718,946	\$ 10,610,366	\$ 11,581,657	\$ 12,160,740	\$ 12,768,777	\$ 13,407,216
City/State Taxes and Franchise Fees	2,579,431	2,674,915	2,680,208	2,705,113	2,823,009	2,971,922	3,138,843
Transfer to CIP/R&R	3,626,900	5,220,453	5,241,244	5,224,120	5,646,989	6,087,600	6,539,503
Debt Service	630,766	558,246	672,102	730,557	736,783	635,606	285,910
Personnel	4,339,133	4,577,780	4,811,934	5,149,683	5,497,602	5,871,819	6,279,668
Interfund Payments to Other City Funds	2,029,547	1,862,609	1,686,054	1,979,755	2,049,047	2,120,763	2,194,990
Capital Asset Costs	1,047,106	736,875	291,280	787,986	354,472	382,783	530,242
Other Operating Expenses	2,504,685	2,650,743	2,705,426	2,606,602	2,685,851	2,732,059	2,778,882
Subtotal	\$ 29,831,026	\$ 28,000,567	\$ 28,698,614	\$ 30,765,473	\$ 31,954,493	\$ 33,571,329	\$ 35,155,254
<b>Ending Fund Balances:</b>							
Operating Reserves	\$ 2,667,362	\$ 8,712,644	\$ 9,731,099	\$ 9,351,853	\$ 8,672,158	\$ 8,049,271	\$ 7,874,718
Asset Replacement Account	1,413,867	1,662,375	1,920,705	1,757,119	2,032,395	2,307,000	2,462,109
Subtotal	\$ 4,081,229	\$ 10,375,019	\$ 11,651,804	\$ 11,108,972	\$ 10,704,553	\$ 10,356,271	\$ 10,336,827
<b>TOTAL BUDGET (Uses)</b>	<b>\$ 33,912,255</b>	<b>\$ 38,375,586</b>	<b>\$ 40,350,418</b>	<b>\$ 41,874,445</b>	<b>\$ 42,659,046</b>	<b>\$ 43,927,600</b>	<b>\$ 45,492,081</b>

TARGET RESERVE STATUS	2004 Amended Budget	2005 Preliminary Budget	2006 Preliminary Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Operating Reserves	\$ 2,667,362	\$ 8,712,644	\$ 9,731,099	\$ 9,351,853	\$ 8,672,158	\$ 8,049,271	\$ 7,874,718
Target Reserve Level	6,320,659	6,471,170	6,570,757	6,858,757	7,156,166	7,470,492	7,803,150
<b>Reserves Over (Under) Target Level (1)</b>	<b>\$ (3,653,297)</b>	<b>\$ 2,241,474</b>	<b>\$ 3,160,342</b>	<b>\$ 2,493,096</b>	<b>\$ 1,515,992</b>	<b>\$ 578,779</b>	<b>\$ 71,568</b>

- (1) The 2004 budgeted operating reserves are significantly under target due to a change in reserve levels defined by the Utilities Consolidated Reserve Policy, which was updated in 2004 to increase operating contingencies due to the new wholesale water contract with CWA. In future years, excess reserves are purposefully being kept in the Operating Fund to mitigate rate increases.
- (2) The beginning fund balance in 2005 does not equal the budgeted ending fund balance in 2004 because:
- higher than budgeted revenues and/or savings during the last biennium.
  - 2004 capital expenditures delayed until 2005.
- (3) The beginning fund balance for 2007 does not equal the budgeted ending fund balance in 2006 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

## Sewer System Costs and Revenue Requirements

Revenue requirements from sewer rates are displayed in the Sewer Utility Fund Financial Forecast. Over the upcoming forecast period, rate revenues are projected to grow from \$27.3 million in 2004 to \$38.9 million in 2010, or by an average annual increase of 6.1%. Of the \$11.6 million increase in annual rate revenues over the interval, approximately \$11.1 million is due to projected rate increases, with the remaining \$0.5 million due to growth in the number of customer accounts and related sewer volumes.

Based on historical collection experience, an annual growth in other Utility revenues is projected to be at 4.4% for 2005 through 2010, and includes developer fees, rental revenue and other miscellaneous items.

King County-METRO payments for wholesale sewage treatment costs represent 63% of the total projected Sewer expenses for the 6-year period. METRO rate increases assumed in this forecast, as projected by King County, include 9.4% and 0.0% for 2005 and 2006 respectively, 11.5% for 2007, and an average of 2.6% annually from 2008 to 2010. These rate increases translate into pass-through increases to Bellevue customers of 7.3% in 2005, 0.0% in 2006, 8.7% in 2007, and an average of 1.9% annually from 2008 through 2010.

Growth in City/State taxes over the forecast period are due to impacts of projected customer/volume growth, rate increases on annual taxable revenues, and the 0.5% increase in the City utility tax rate adopted by Council on December 8, 2004. No changes in existing tax policies are assumed.

Sewer CIP transfers are projected to equal \$22.6 million over the 6-year period. Of this amount \$11.2 million is needed to support projects approved in the CIP plan. The remaining \$11.4 million will be deposited to the Renewal & Replacement (R&R) Account. Annual contributions to the R&R Account are determined by the infrastructure replacement per the Utility's long-term capital investment plan and were updated to incorporate recommendations from two recent studies which looked at infrastructure condition and replacement needs.

Sewer personnel costs are projected to increase by 5.9 % per year in 2005 through 2010, largely due to higher pension and medical inflation projected by the City Budget Office. Other operating expenses include supplies and outside services which are projected to increase by the estimated annual inflation rates shown in the forecast from 2006 through 2010. Maintenance and operating expenses include funding starting in 2005 and 2006 to support initiatives such as pavement restoration and condition assessment. Interfund payments to other city funds are projected to decrease by approximately 10% in 2005, and 11% in 2006, largely due to a drop in General Self Insurance premiums and reduction in technology costs. Forecast period beyond the current biennium assumes interfund payments at historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance. Annual contributions are made to the account to maintain a minimum ending balance in the account over the long-term planning period. The Utility revenue requirement is based on the ARA contribution amount, instead of projected asset purchases, to provide greater rate stability.

Sewer reserve status shown in this forecast is based on calculations of target reserve amounts defined by the Utilities Consolidated Reserve Policy. The long-range objective under this policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account. Reserves are projected to be above target levels for 2005 and 2006, largely for rate stabilization purposes, and drop back to target levels for the remainder of the forecast period.

**SEWER UTILITY FUND  
FINANCIAL FORECAST  
2005 THROUGH 2010**

PROJECTED RATE INCREASES	2004 Amended Budget	2005 Adopted Budget	2006 Adopted Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Pass-Through Metro Increase	0.0%	7.3%	0.0%	8.7%	2.0%	1.9%	1.9%
Local Program Increase	0.0%	4.7%	1.6%	2.3%	1.5%	2.2%	2.2%
<b>TOTAL RATE INCREASE</b>	<b>0.0%</b>	<b>12.0%</b>	<b>1.6%</b>	<b>11.0%</b>	<b>3.4%</b>	<b>4.2%</b>	<b>4.1%</b>

<b>Projected Annual CPI Increases</b>	<b>2.6%</b>	<b>1.9%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.3%</b>
---------------------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

ANNUAL BUDGET BY CATEGORY	2004 Amended Budget	2005 Adopted Budget (1)	2006 Adopted Budget	2007 Budget Estimate (2)	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
<b>Beginning Fund Balances:</b>							
Operating Reserves	\$ 3,029,269	\$ 2,927,009	\$ 2,685,154	\$ 2,770,105	\$ 2,786,100	\$ 2,873,818	\$ 2,964,210
Asset Replacement Account	677,244	837,021	722,179	1,091,461	457,274	569,251	1,006,687
<b>Subtotal</b>	<b>\$ 3,706,513</b>	<b>\$ 3,764,030</b>	<b>\$ 3,407,333</b>	<b>\$ 3,861,566</b>	<b>\$ 3,243,374</b>	<b>\$ 3,443,069</b>	<b>\$ 3,970,897</b>
<b>REVENUES:</b>							
Sewer Rate Revenues	\$ 27,328,523	\$ 30,303,267	\$ 31,204,480	\$ 34,263,546	\$ 35,805,882	\$ 37,337,205	\$ 38,931,871
Interest/Other Revenues	992,707	1,147,575	1,179,302	1,153,522	1,173,926	1,222,947	1,287,162
<b>Subtotal</b>	<b>\$ 28,321,230</b>	<b>\$ 31,450,842</b>	<b>\$ 32,383,782</b>	<b>\$ 35,417,068</b>	<b>\$ 36,979,808</b>	<b>\$ 38,560,152</b>	<b>\$ 40,219,033</b>
<b>TOTAL BUDGET (Sources)</b>	<b>\$ 32,027,743</b>	<b>\$ 35,214,872</b>	<b>\$ 35,791,115</b>	<b>\$ 39,278,634</b>	<b>\$ 40,223,182</b>	<b>\$ 42,003,221</b>	<b>\$ 44,189,930</b>
<b>EXPENSES:</b>							
Metro	\$ 18,366,962	\$ 19,958,984	\$ 20,078,471	\$ 22,479,870	\$ 23,127,212	\$ 23,786,778	\$ 24,459,205
City/State Taxes and Franchise Fees	1,602,819	1,801,982	1,856,115	2,057,732	2,148,832	2,237,523	2,330,049
Transfer to CIP/R&R	1,825,032	2,659,445	3,078,259	3,515,131	3,970,670	4,445,504	4,940,278
Debt Service	63,734	63,734	63,734	63,734	63,734	63,734	63,734
Personnel	3,133,063	3,399,753	3,551,907	3,686,994	3,915,704	4,161,069	4,427,693
Interfund Payments to Other City Funds	1,734,293	1,557,194	1,382,438	1,637,667	1,675,334	1,713,866	1,753,285
Capital Asset Costs	851,215	1,117,562	44,500	1,096,814	346,870	56,863	234,333
Other Operating Expenses	1,158,466	1,248,885	1,372,057	1,497,318	1,531,757	1,566,987	1,603,028
<b>Subtotal</b>	<b>\$ 28,735,584</b>	<b>\$ 31,807,539</b>	<b>\$ 31,427,481</b>	<b>\$ 36,035,260</b>	<b>\$ 36,780,113</b>	<b>\$ 38,032,324</b>	<b>\$ 39,811,605</b>
<b>Ending Fund Balances:</b>							
Operating Reserves	\$ 2,320,159	\$ 2,685,154	\$ 3,272,174	\$ 2,786,100	\$ 2,873,818	\$ 2,964,210	\$ 3,057,892
Asset Replacement Account	972,000	722,179	1,091,461	457,274	569,251	1,006,687	1,320,433
<b>Subtotal</b>	<b>\$ 3,292,159</b>	<b>\$ 3,407,333</b>	<b>\$ 4,363,634</b>	<b>\$ 3,243,374</b>	<b>\$ 3,443,069</b>	<b>\$ 3,970,897</b>	<b>\$ 4,378,325</b>
<b>TOTAL BUDGET (Uses)</b>	<b>\$ 32,027,743</b>	<b>\$ 35,214,872</b>	<b>\$ 35,791,115</b>	<b>\$ 39,278,634</b>	<b>\$ 40,223,182</b>	<b>\$ 42,003,221</b>	<b>\$ 44,189,931</b>

TARGET RESERVE STATUS	2004 Amended Budget	2005 Preliminary Budget	2006 Preliminary Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Operating Reserves	\$ 2,320,159	\$ 2,685,154	\$ 3,272,174	\$ 2,786,100	\$ 2,873,818	\$ 2,964,210	\$ 3,057,892
Target Reserve Level	2,340,389	2,553,726	2,537,744	2,786,100	2,873,818	2,964,210	3,057,891
<b>Reserves Over (Under) Target Level</b>	<b>\$ (20,230)</b>	<b>\$ 131,428</b>	<b>\$ 734,429</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>

(1) The beginning fund balance in 2005 does not equal the budgeted ending fund balance in 2004 because of 2004 capital expenditures delayed until 2005.

(2) The beginning fund balance for 2007 does not equal the budgeted ending fund balance in 2006 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

## Surface Water System Costs and Revenue Requirements

Revenue requirements from surface water rates are displayed in the Surface Water Utility Fund Financial Forecast. Over the upcoming forecast period, rate revenues are projected to grow from \$10.1 million in 2004 to \$14.5 million in 2010, or by an average annual increase of 6.2%. Of the \$4.4 million increase in annual rate revenues over the interval, approximately \$4.1 million is due to projected rate increases, with the remaining \$0.3 million due to growth in the customer base.

Based on historical collection experience, net of interest revenue, an annual growth in other Utility revenues is projected at 3.1% on average from 2005 through 2010, and includes developer fees and other miscellaneous items.

In 2003, the Newport Newport Shores Yacht Club and a private citizen jointly sued the City and King County for violations of the Clean Water and Endangered Species Acts and a nuisance claim related to sedimentation. As a result of mediation, a settlement agreement was reached that dedicates funding towards resolving problems versus costly litigation. This agreement addresses long-term issues that affect Lake Washington and Newport Shores. Of the total settlement costs of \$5,385,000, King County paid the City and other parties \$2,755,000 for its share of the costs. Costs allocated to the Utilities Storm and Surface Water Fund consist of one-time capital costs associated with mitigating sedimentation/flooding problems and related maintenance costs, and the City's costs for outside counsel and consulting fees. Capital costs are budgeted in the Utilities Storm and Surface Water capital program. The settlement costs will be funded by a one-time rate increase in 2006 of 2.3%.

Growth in City/State taxes over the forecast period are due to impacts of projected customer-base growth, rate increases on annual taxable revenues, and a 0.5% increase in the City utility tax rate adopted by Council on December 8, 2004. No changes in existing tax policies are assumed. Debt service is a major component of Surface Water Utility annual expenses; total payments for debt service are projected to be \$5.6 million for the 2005 through 2010 period. As current debt is paid off, CIP and R&R transfers will increase correspondingly to pay for increasing capital needs and fund the R&R account.

Surface Water CIP transfers are projected to equal \$22.2 million over the 6-year period. Of this amount \$18.1 million is needed to support projects approved in the annual CIP budget. The remaining \$6.1 million will be deposited to the Renewal & Replacement (R&R) Account. Annual contributions to the R&R Account are determined by the infrastructure replacement per the Utility's long-term capital investment plan and were updated to incorporate recommendations from two recent studies which looked at infrastructure condition and replacement needs.

Surface Water personnel costs are projected to increase by 6.7% per year in 2005 through 2010, largely due to higher pension and medical inflation projected by the City Budget Office. Other operating expenses, which include supplies and outside services, are projected to increase by the estimated annual inflation rates beginning in 2006 and adjusted for a 2.0% under expenditure factor. Interfund payments to other city funds are projected to decrease by approximately 9.0% in 2006, largely due to a reduction in technology costs. Forecast period beyond the current biennium assumes interfund payments at historical average levels.

Capital asset costs shown in the forecast are based on the Utility's long-term asset replacement plan and can fluctuate from year to year. The Asset Replacement Account (ARA) is used to levelize rate impacts of Utility capital asset spending and all asset purchases are financed from the ARA balance. Annual contributions are made to the account to maintain a minimum ending balance in the account over the long-term planning period. The Utility revenue requirement is based on the ARA contribution amount, instead of projected asset purchases, to provide greater rate stability.

Surface Water reserve status shown in this forecast is based on calculations of target reserve amounts defined by the Utilities Consolidated Reserve Policy. The long-range objective under this policy is to maintain reserves at or close to target levels with excess reserves above target transferred to the CIP R&R Account for renewal and replacement projects. Reserve levels are projected to be somewhat below target levels through the forecast period.

**STORM AND SURFACE WATER UTILITY FUND  
FINANCIAL FORECAST  
2005 THROUGH 2010**

PROJECTED RATE INCREASES	2004 Amended Budget	2005 Adopted Budget	2006 Adopted Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Local Program Increase	4.4%	9.4%	7.1%	4.8%	4.8%	4.8%	4.2%

Projected Annual CPI Increases	2.6%	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%
--------------------------------	------	------	------	------	------	------	------

ANNUAL BUDGET BY CATEGORY	2004 Amended Budget	2005 Adopted Budget (1)	2006 Adopted Budget	2007 Budget Estimate (2)	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
<b>Beginning Fund Balances:</b>							
Operating Reserves	\$ 751,573	\$ 1,401,997	\$ 790,865	\$ 792,573	\$ 736,529	\$ 797,409	\$ 843,981
Asset Replacement Account	1,315,969	1,554,542	1,666,145	1,462,802	1,082,527	1,129,291	1,433,728
Subtotal	\$ 2,067,542	\$ 2,956,539	\$ 2,457,010	\$ 2,255,375	\$ 1,819,056	\$ 1,926,700	\$ 2,277,709
<b>REVENUES:</b>							
Surface Water Rate Revenues	\$ 10,058,249	\$ 11,002,221	\$ 11,829,351	\$ 12,410,059	\$ 13,050,592	\$ 13,719,568	\$ 14,354,897
Lakemont Surcharge	255,812	255,812	255,812	255,812	255,812	255,812	255,812
Interest/Other Revenues	425,639	484,848	499,357	538,605	541,535	563,022	595,130
Subtotal	\$ 10,739,700	\$ 11,742,881	\$ 12,584,520	\$ 13,204,476	\$ 13,847,939	\$ 14,538,402	\$ 15,205,839
<b>TOTAL BUDGET (Sources)</b>	<b>\$ 12,807,242</b>	<b>\$ 14,699,420</b>	<b>\$ 15,041,530</b>	<b>\$ 15,459,851</b>	<b>\$ 15,666,995</b>	<b>\$ 16,465,102</b>	<b>\$ 17,483,548</b>
<b>EXPENSES:</b>							
City/State Taxes and Franchise Fees	576,828	677,462	730,407	776,871	817,210	858,983	898,027
Transfer to CIP/R&R	1,697,000	2,689,857	3,212,882	3,605,283	4,018,449	4,450,947	4,905,355
Debt Service	1,332,018	1,408,697	1,407,472	1,122,111	846,224	683,192	270,678
Personnel	3,335,342	3,537,282	3,744,104	4,013,926	4,293,191	4,593,571	4,921,005
Interfund Payments to Other City Funds	1,734,544	1,728,038	1,565,136	1,821,787	1,863,688	1,906,553	1,950,404
Capital Asset Costs	620,372	599,127	35,947	752,169	321,003	81,297	247,333
Other Operating Expenses	1,365,383	1,601,947	1,506,151	1,548,648	1,580,530	1,612,849	1,645,509
Subtotal	\$ 10,661,487	\$ 12,242,410	\$ 12,202,099	\$ 13,640,795	\$ 13,740,295	\$ 14,187,392	\$ 14,838,311
<b>Ending Fund Balances:</b>							
Operating Reserves	\$ 591,213	\$ 790,865	\$ 1,376,629	\$ 736,529	\$ 797,409	\$ 843,982	\$ 1,041,479
Asset Replacement Account	1,554,542	1,666,145	1,462,802	1,082,527	1,129,291	1,433,728	1,603,758
Subtotal	\$ 2,145,755	\$ 2,457,010	\$ 2,839,431	\$ 1,819,056	\$ 1,926,700	\$ 2,277,710	\$ 2,645,237
<b>TOTAL BUDGET (Uses)</b>	<b>\$ 12,807,242</b>	<b>\$ 14,699,420</b>	<b>\$ 15,041,530</b>	<b>\$ 15,459,851</b>	<b>\$ 15,666,995</b>	<b>\$ 16,465,102</b>	<b>\$ 17,483,548</b>

TARGET RESERVE STATUS	2004 Amended Budget	2005 Preliminary Budget	2006 Preliminary Budget	2007 Budget Estimate	2008 Budget Estimate	2009 Budget Estimate	2010 Budget Estimate
Operating Reserves	\$ 591,213	\$ 790,865	\$ 1,376,629	\$ 736,529	\$ 797,409	\$ 843,982	\$ 1,041,479
Target Reserve Level	1,005,753	932,859	914,181	947,841	982,699	1,019,712	1,059,471
<b>Reserves Over (Under) Target Level</b>	<b>\$ (414,540)</b>	<b>\$ (141,994)</b>	<b>\$ 462,448</b>	<b>\$ (211,313)</b>	<b>\$ (185,290)</b>	<b>\$ (175,730)</b>	<b>\$ (17,992)</b>

(1) The beginning fund balance in 2005 does not equal the budgeted ending fund balance in 2004 because:

- higher than budgeted revenues and/or savings during the last biennium.
- 2004 capital expenditures delayed until 2005.

(2) The beginning fund balance for 2007 does not equal the budgeted ending fund balance in 2006 primarily due to projected underexpenditures and reconciling items for ratemaking purposes.

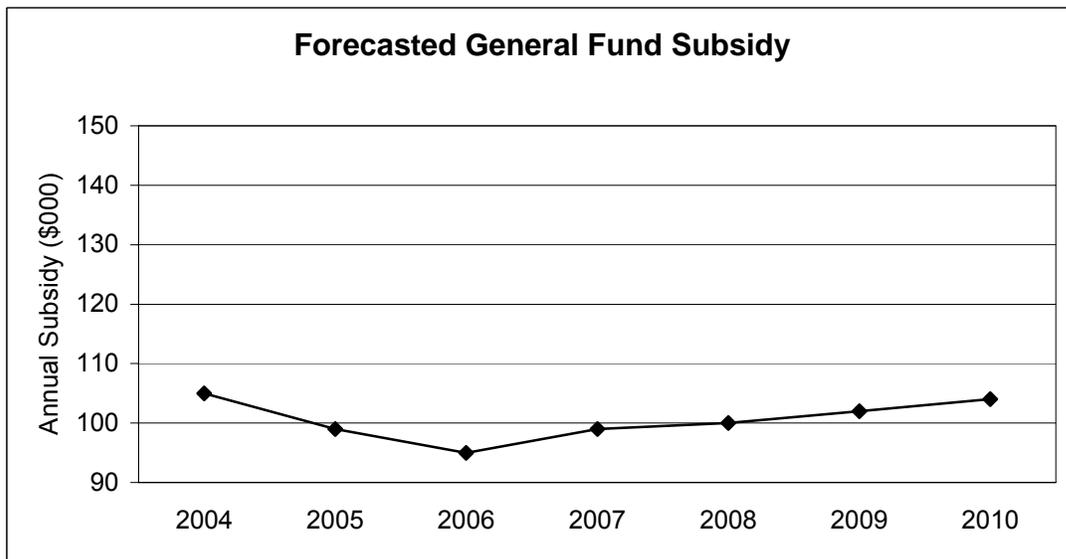
## C. PARKS ENTERPRISE FUND FINANCIAL FORECAST

### Introduction

The Parks Enterprise Fund accounts for the services provided by the Enterprise Program within the Parks & Community Services Department. These services include golf, tennis, aquatics, adult sports, and facility rentals. Enterprise Programs are primarily supported through user fees but attempt to serve all residents regardless of ability to pay through the use of scholarships, sponsorships and fee waivers. The Parks Enterprise Fund receives a subsidy payment from the General Fund to ensure that programs are accessible to all Bellevue residents.

### General Fund Subsidy

- The forecast shows that the Parks Enterprise Fund can continue to maintain the General Fund Subsidy at about \$100,000 per year.
- The graph below shows the forecasted subsidy payment from the General Fund:



- The Aquatic Center continues to be the main driver behind the need for a General Fund Subsidy throughout the forecast period. Due to the nature of the Aquatic Center programs and facility clientele, the majority of services provided at this facility are not “Full Cost Recovery” services. Most of these services recover only the direct program costs in an effort to provide affordable and accessible programs to youth and physically challenged participants. In addition to the General Fund subsidy, approximately \$300,000 of other Parks Enterprise Fund revenues are needed to support the Aquatic Center operation each year. Overall, this level of subsidy is consistent with the financial performance that was anticipated in 1995 when the City took over the pool.

### **Parks Enterprise Fund Reserves**

Parks Enterprise Fund reserves will be managed within the targeted reserve level of roughly \$575,000 to \$700,000 over the forecast period. The targeted reserve level is set at two months' operating expenses.

### **Enterprise Capital Improvements**

The Parks Enterprise program funds the Enterprise Facility Improvements Project (CIP project P-R-2), including capital projects at the Bellevue Golf Course. In 1999, the City acquired the 2.79-acre Miller Property primarily to protect the golf course maintenance facility hours of operations from residential development directly adjacent to the maintenance facility. Reduction in maintenance hours would have resulted in a loss of playable hours and significantly impacted golf course revenues. The City committed to using the Enterprise CIP fund and golf course greens fees to purchase the property for \$800,000. A cash down-payment of \$100,000 was paid at closing, and a \$700,000 balloon payment was due in September 2004. The contract allows the City up to six months (or until March 2005) to secure financing for this balloon payment.

This Financial Forecast and the City's 2005-2011 Capital Investment Program Plan includes the funding needed to make the final balloon payment for the Miller property in 2005. Consistent with City cost recovery policy, the Parks Enterprise Fund will repay the General CIP for this balloon payment over approximately 10 years. This approach will continue to protect the viability of the golf course operations, while allowing for the ongoing renovation of the Bellevue Golf Course and the ongoing subsidy of the Aquatic Center. In addition, the Department will explore opportunities to use this asset in the most productive way possible, including potential City partnerships or lease agreements which are compatible with our overall interest in protecting the viability of the Parks Enterprise Fund.

### **Budget Assumptions and Issues**

Below are the major assumptions used in developing the 2005-2010 forecast:

- Parks Enterprise Fund revenues are assumed to increase at the same rate as expenditures from 2005-2010, or roughly 4.0% per year.
- City Council will be discussing pricing and resident/non-resident access policies as part of the Recreation Program Plan Update. While this could impact the pricing strategy and customer base for Enterprise Programs, no fundamental policy changes have been incorporated into this forecast update.
- The Parks Enterprise CIP includes \$700,000 for the balloon payment for the Miller property in 2005.
- No new programs or capital investments were included in this forecast or the Parks Enterprise Fund budget.

**Parks Enterprise Fund  
2005-2010 Financial Forecast  
Forecast Summary  
(\$000)**

	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>	<b>Estimate</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
Beginning Fund Balance	\$579	\$574	\$607	\$646	\$657	\$678	\$698
Tennis Facility	103	112	117	121	125	129	134
Tennis Court Instructor Fees	259	283	297	307	318	329	341
Tennis League Fees	152	166	174	180	187	194	201
Tennis Material Sales	17	19	20	21	22	23	24
Athletic Fees-Adult	112	112	116	120	123	126	129
Ballfield Rental	330	372	389	403	417	432	447
Boat Launch Fees	40	41	42	43	45	47	49
Facility Concessions	4	4	4	4	4	4	4
Facility Rental	101	105	109	113	117	121	125
Rent Robinswood	100	150	155	160	165	170	175
Contract Commis. -Robinswood	9	14	14	14	14	14	14
Pool Fees	165	170	175	180	185	191	197
Swimming Lesson Fees	253	261	269	277	285	294	303
Pool Facility Rental	168	173	178	183	188	194	200
Aquatics Concession/Sales	5	5	5	5	5	5	5
King County Contribution	0	0	0	0	0	0	0
Park M&O Endowment Interest	66	93	93	93	93	93	93
Golf Fees - Bellevue Golf Course	1,404	1,405	1,480	1,517	1,555	1,594	1,634
Golf Fees - Crossroads	76	81	86	91	96	101	106
Golf Rental	1	1	1	1	1	1	1
Contract Commissions	143	147	151	156	161	166	171
Interest Earnings & Other Misc.	19	20	21	21	23	25	28
<b>Subtotal</b>	<b>\$4,106</b>	<b>\$4,308</b>	<b>\$4,503</b>	<b>\$4,656</b>	<b>\$4,785</b>	<b>\$4,931</b>	<b>\$5,079</b>
General Fund Subsidy	108	99	94	97	100	103	106
<b>Total Revenues</b>	<b>\$4,214</b>	<b>\$4,407</b>	<b>\$4,597</b>	<b>\$4,753</b>	<b>\$4,885</b>	<b>\$5,034</b>	<b>\$5,185</b>

	2004	2005	2006	2007	2008	2009	2010
<b>Expenditures &amp; Reserves</b>	<b>Forecast</b>						
Personnel	\$1,825	\$1,883	\$1,978	\$2,057	\$2,133	\$2,217	\$2,304
M&O	774	741	759	802	822	844	866
Capital	0	0	0	0	0	0	0
Overhead Charges	549	526	528	541	553	566	579
Resource Management Charges	302	375	387	396	399	409	420
Innovations Pay Back	0	0	0	0	0	0	0
CIP Contribution	190	275	300	300	300	300	300
Cash Flow Repayment	0	0	0	0	0	0	0
<b>Subtotal</b>	<b>\$3,640</b>	<b>\$3,800</b>	<b>\$3,951</b>	<b>\$4,096</b>	<b>\$4,207</b>	<b>\$4,336</b>	<b>\$4,469</b>
Reserves	574	607	646	657	678	698	716
<b>Total Expenditures &amp; Reserves</b>	<b>\$4,214</b>	<b>\$4,407</b>	<b>\$4,597</b>	<b>\$4,753</b>	<b>\$4,885</b>	<b>\$5,034</b>	<b>\$5,185</b>

## D. DEVELOPMENT SERVICES FUND FINANCIAL FORECAST

### Executive Summary

The Development Services Fund is responsible for administering the development review and inspection process, land use and comprehensive planning, and code enforcement.

The Development Services Fund forecast reflects a moderate economic recovery in development activity. Increased development activity in the early years of the forecast (2005-2006) illustrates the impact of the restart of stalled projects and the addition of new major projects. Additional staffing and contracted services were added in response to this rapid increase in activity.

Beginning in 2007, development activity levels stabilize and reflect moderate growth throughout the forecast period.

### Background

After the economic downturn in 2001, development activity remained relatively stagnant through the end of 2003 with the exception of a high level activity in residential additions and remodels driven by historically low interest rates. Activity began to rebound in 2004 with the restart of stalled projects and initiation of new major projects (e.g. Lincoln Square restart, Summit Building vertical expansion, Overlake Hospital Medical Center, New City Building). In response to this rapid increase in activity, 10 Limited Term Employees (LTEs) were added. The construction valuations for issued permits, considered a key barometer of economic activity, is at its highest level since 2001.

### 2005-2010 Outlook

Office vacancy rates in the central business district are a key indicator of the interest in development activity. While these rates have fallen from 19% to 8% in the last year, which would typically indicate that development activity will escalate, the number of design review applications received (an early indicator of development activity) remains flat. In addition, as interest rates begin to rise, the demand for single family additions and remodel projects may slow down. As a result, the forecast reflects moderate growth in development fees and does not assume a continuation of the volume of major projects.

**Development Services Fund  
2005-2010 Financial Forecast  
(in \$000)**

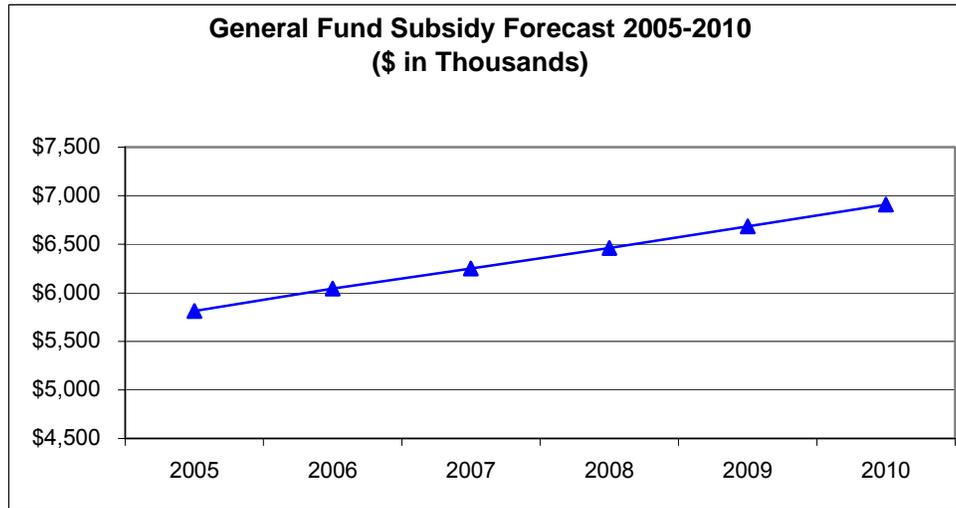
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Beginning Reserve</b>	<b>\$6,327</b>	<b>\$6,006</b>	<b>\$5,311</b>	<b>\$5,330</b>	<b>\$5,338</b>	<b>\$5,335</b>
<b>Resources:</b>						
Building Fees	\$5,500	\$5,500	\$5,000	\$5,135	\$5,274	\$5,416
Land Use Fees	919	864	800	822	844	867
Fire, Transp. & Utilities Fees	2,497	2,336	2,110	2,167	2,225	2,285
Gen Fund Subsidy	5,812	6,045	6,250	6,462	6,682	6,910
Other Revenue/Interest	375	383	393	404	415	426
<b>Total Resources</b>	<b>\$15,103</b>	<b>\$15,128</b>	<b>\$14,553</b>	<b>\$14,990</b>	<b>\$15,440</b>	<b>\$15,904</b>
<b>Expenditures:</b>						
Building	\$5,931	\$6,267	\$5,266	\$5,446	\$5,631	\$5,823
Land Use	2,694	2,763	2,539	2,625	2,715	2,807
Fire, Transp. & Utilities Development Services	2,510	2,371	2,110	2,167	2,225	2,285
Comprehensive Planning/Neighborhood Outreach/Code Compliance	4,070	4,256	4,519	4,641	4,767	4,895
Other	219	166	100	103	105	108
<b>Total Expenditures</b>	<b>\$15,424</b>	<b>\$15,823</b>	<b>\$14,534</b>	<b>\$14,982</b>	<b>\$15,443</b>	<b>\$15,918</b>
<b>Ending Reserves</b>	<b>\$6,006</b>	<b>\$5,311</b>	<b>\$5,330</b>	<b>\$5,338</b>	<b>\$5,335</b>	<b>\$5,321</b>

### Forecast Drivers and Assumptions

- 1) The following major projects are assumed to be substantially completed in the early years of the forecast:
  - Lincoln Square
  - The Summit Building (2<sup>nd</sup> Tower)
  - Overlake Hospital Medical Center Expansion
  - New City Building Renovation
- 2) A significant spike in new major projects is not assumed beyond 2006.
- 3) The forecast reflects the addition of 10 LTEs, added in 2004 and estimated to expire in 2007, to address the short-term increase in workload associated with the major projects.
- 4) A comprehensive Cost of Service Study will be conducted in 2005. Development fees may be adjusted to assure they are set accordingly to meet cost recovery objectives endorsed by Council. This forecast assumes that fees will grow at the rate of inflation (2.7%).
- 5) One FTE was reduced in the Building Division in 2005 reflecting accelerated cost savings due to the Enterprise Resource Planning (ERP) system.

## General Fund Subsidy

The General Fund contribution to the Development Services Fund accounts for approximately 5% of the General Fund budget. This contribution (subsidy) supports personnel, M&O and capital costs for programs that have been designated as general funded activities. These programs include Comprehensive Planning, Neighborhood Outreach, Code Compliance, and Housing. Land Use activities supported by the General Fund include public information, policy development, and approximately 50% of discretionary review.

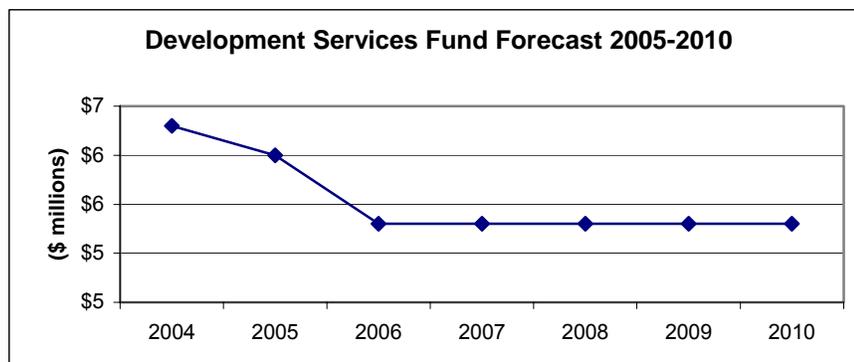


The General Fund contribution to the Development Services Fund is anticipated to grow at the rate of approximately 3.4% over the forecast period due primarily to growth in personnel costs (e.g. salaries, health benefits, pensions).

## Development Services Fund Reserves

The Development Services Fund maintains reserves to assure that core staffing levels are balanced with cyclical needs, thus mitigating the effects of downturns, and to account for prepaid building fees and development services deposits. The prepaid workload liability can extend for three years or more throughout the life of a project.

Development Services Fund reserves are anticipated to fall from \$6.3 million in 2004 to \$5.3 million in 2006. This reflects the anticipated completion of the major projects in the early years of the forecast period. Reserve levels stabilize at approximately \$5.3 million from 2006 through 2010 and are sufficient to cover an unanticipated increase in activity.



## General Information About Bellevue

---

This chapter provides information about the City of Bellevue, its form of government, management structure, location, population, and business climate. This information will aid the reader in understanding Bellevue's service programs and means of providing these services. Budgetary values have more complete meaning when placed in this context.

### A. FORM OF GOVERNMENT AND ORGANIZATION

The City of Bellevue is a noncharter optional code city. It was incorporated as a third class city on April 1, 1953. On June 1, 1970, however, Bellevue elected to become an optional code city and be governed under the provisions of the Optional Municipal Code of the Revised Code of Washington. Optional code city status increases the City's operating authority by extending to it the powers of all four city classifications which exist in Washington law.

From its incorporation, Bellevue has maintained a Council-City Manager form of government. The City Manager is appointed by the Council as the chief executive officer of the City and is responsible to the Council for the proper administration of all City affairs. Councilmembers are elected at large by Bellevue voters, and each serves a four-year term. They are part-time officials who exercise the legislative power of the City and determine City policy. Bellevue has a seven-member Council, one of whom is elected by his or her fellow members to serve as Mayor for two years. The Mayor serves as Chairperson of the Council, makes appointments to Council committees, and presides over weekly Council meetings. The Mayor has an equal vote with other Councilmembers.

The offices of City Clerk, City Treasurer, and Chief of Police are subordinate positions required by State statute. They are established by the Council and appointed by the City Manager. The City Clerk is responsible for keeping public records and the City Treasurer is responsible for the receipt, disbursement, and custody of public monies. Though the City Clerk position, by statute, can include the duties of Treasurer, the City of Bellevue has established both positions, with the City Treasurer being defined as the Finance Director. All officers and/or department directors of the City are appointed by the City Manager.

On the following pages several different organization and responsibility charts are presented. These charts illustrate the City's management organization from different perspectives.

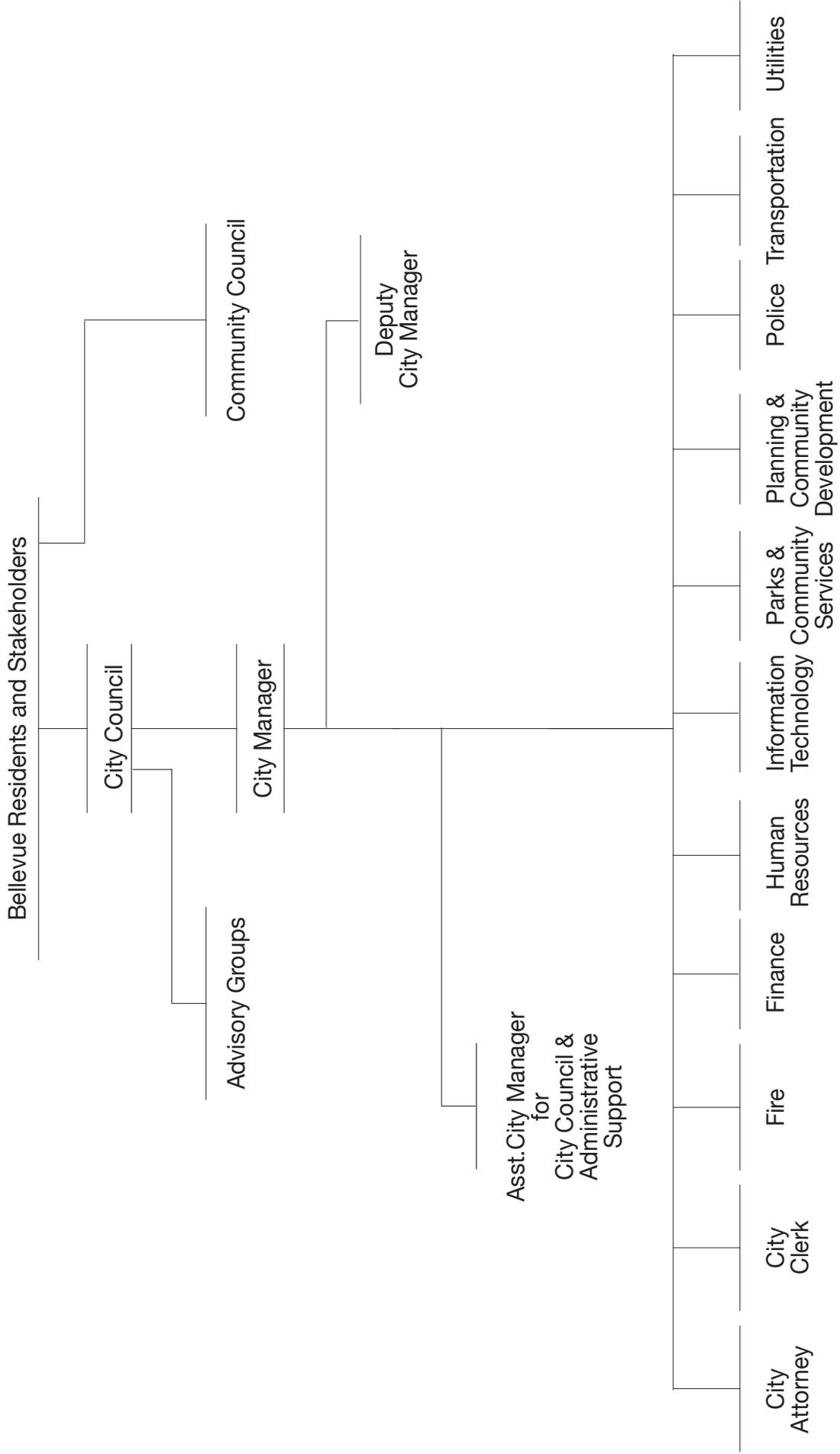
Figure 6-1 presents a hierarchical organization chart which shows the "chain-of-command" reporting relationships that currently exist.

Figure 6-2 presents a functional organization chart showing the principal activities for which each organization is responsible. These functional responsibilities are shown in greater detail in the department organization charts presented in Chapters 10 through 25.

Figure 6-3 lists the current Councilmembers and department directors.

Figure 6-4 presents and describes the array of advisory boards and commissions.

**FIGURE 6-1  
CITY OF BELLEVUE  
HIERARCHICAL ORGANIZATION CHART**



**FIGURE 6-2  
CITY OF BELLEVUE  
FUNCTIONAL ORGANIZATION CHART**

**City Attorney**

- Legal support for City Council, all departments, and boards & commissions
- Prosecution
- Litigation
- Risk Management

**City Clerk**

- City Council support
- City records and documents
- Hearing Examiner staffing
- Community Council staffing
- Information Center

**City Manager**

- City administration
- Intergovernmental relations
- Media relations
- Publications

**Planning and Community Development**

- Development review and permitting
- Clearing & grading permitting and inspection
- Rezones
- Code enforcement
- Affordable housing
- Citywide policy coordination
- Comprehensive planning
- Community outreach
- Planning Commission staffing
- Economic and statistical analysis
- Community Development functions of CIP
- Arts program and Arts Commission staffing

**Finance**

- General supervision over the City's financial affairs
- Facilities Planning and Development

**Fire**

- Fire suppression and rescue services
- Fire prevention and education
- Emergency medical services
- Disaster preparedness
- Hazardous materials emergency management

**Human Resources**

- Personnel Services, including recruitment, selection
- Matters of personnel policy
- Compensation and classification
- Workforce diversity
- Staff training

**Information Technology**

- Management of City's computer and telecommunications systems
- Telephone systems management
- Computer applications programming
- Geographic Information Systems (GIS)

**Parks & Community Services**

- Administration of City parks and recreation programs
- Youth Link
- Human Services
- Human Services Commission staffing
- Probation
- Park planning and development
- Park Board staffing
- Facilities Maintenance

**Police**

- Policing functions
- Police-related community programs
- Park patrol
- Public safety communications center

**Transportation**

- Transportation planning, design, construction management, and operation
- Transportation Commission staffing

**Utilities**

- Water, sewer, storm & surface water, and solid waste utilities
- Private utility franchising
- Utility billing
- Environmental Services Commission staffing
- Street maintenance
- Mechanical and electronic equipment repair

**FIGURE 6-3  
CITY OFFICIALS**

**ELECTED CITY COUNCIL**

Mayor .....	Connie Marshall
Council .....	Claudia Balducci
.....	John Chelminiak
.....	Dr. Don Davidson
.....	Grant Degginger
.....	Conrad Lee
.....	Phil Noble

**APPOINTED ADMINISTRATIVE STAFF**

City Manager .....	Steve Sarkozy
Deputy City Manager .....	Ed Oberg
City Attorney .....	Lori Riordan
Assistant City Manager for City Council and Administrative Support.....	Myrna Basich
Finance Director.....	Jan Hawn
Fire Chief .....	Mario Treviño
Human Resources Director.....	Yvonne Tate
Chief Information Technology Officer.....	Toni Cramer
Parks & Community Services Director .....	Patrick Foran
Planning and Community Development Director .....	Matt Terry
Police Chief.....	Jim Montgomery
Transportation Director .....	Goran Sparrman
Utilities Director .....	Brad Miyake

**FIGURE 6-4  
BOARDS & COMMISSIONS**

Arts Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To perform the necessary functions in order that Bellevue may provide leadership in the Arts and to advise the City Council on matters of the Arts.  The Board meets once a month, and staffing is provided by the Planning and Community Development Department.

Bellevue Convention Center  
Authority Board

Number of Members:	7
Appointed By:	City Manager, Confirmed by City Council
Purpose/Comments:	To govern the affairs of the Bellevue Convention Center Authority (BCCA) which was established by City Council action on December 4, 1989. All corporate powers of the BCCA are exercised by or under direction of the Board of Directors.  The BCCA Board meets monthly and staffing is provided by the Meydenbauer Center staff.

Building Code Board of Appeals

Number of Members:	7
Appointed By:	City Manager
Purpose/Comments:	1) To hear appeals of any order issued by the City related to the Uniform Building and related codes; 2) to determine the suitability of alternative materials or methods of construction; and 3) to make recommendations to the City Council for new legislation related to the City's building codes.  The Board meets when convened to hear appeals filed with the City Building Official, and staffing is provided by the Planning and Community Development Department.

**FIGURE 6-4 (Continued)**Civil Service Commission

Number of Members:	5
Appointed By:	City Manager
Purpose/Comments:	1) To provide for, formulate, and hold competitive tests to determine the relative qualifications of persons who seek employment for the position of Police Officer or Firefighter with the City of Bellevue; 2) to provide for promotion on the basis of merit; 3) to give uniformed personnel tenure; and 4) to provide for a commission to investigate, by public hearing, suspensions, demotions, and discharges.  The Board meets quarterly and as needed, and staffing is provided by the Human Resources Department.

Disability Board

Number of Members:	5
Appointed By:	Two members appointed by the mayor, one firefighter elected by the City's firefighters, one law enforcement officer elected by the City's law enforcement officers, and one member of the public appointed by the other four members.
Purpose/Comments:	To act upon, approve, or deny firefighters' and law enforcement officers' claims for disability leave/retirement or medical benefits.  The Board meets once a month, and staffing is provided by the Risk Management Office.

Environmental Services Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To act in an advisory capacity to the City Council regarding City Water, Sewer, Storm & Surface Water, and Solid Waste Utility programs. The Commission makes recommendations to the Council as needed regarding short- and long-term planning, rates and rate structures, annual budgets, bond issues, and other policies directly related to utility functions.  The Commission meets at least once a month, and staffing is provided by the Utilities Department.

**FIGURE 6-4 (Continued)**Human Services Commission

Number of Members:	7, plus City staff from the Police and Parks & Community Services Departments appointed as ex officio members by the City Manager
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To make recommendations to the City Council regarding human services issues such as the community's needs, policy development, and the allocation of local and federal funds.  The Commission meets once a month and is staffed by the Parks & Community Services Department.

Library Board

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	1) To serve as a liaison between the libraries and the community; and 2) to cooperate with the local, regional, and national trustees associations to participate in library matters.  The Board meets once a month, and staffing is provided by the local libraries.

Parks & Community Services Board

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	The Parks & Community Services Board advises the City Council on policies regarding parks and open space issues such as park planning; design and construction; development, redevelopment and renovation; enterprise management; natural resources, land stewardship, and environmental education. The Board also advises the City Council on policies regarding community services issues such as recreation opportunities for a wide range of interests, ages, and abilities; cultural diversity; community centers; Parks & Community Services Department-related special events; and probation services.  The Board meets once a month, and staffing is provided by the Parks & Community Services Department.

**FIGURE 6-4 (Continued)**Planning Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To make recommendations to the City Council regarding land use issues such as the City's Comprehensive Plan, Subarea Plans, land use management ordinances, potential annexations, etc.  The Commission meets once a week, and staffing is provided by the Planning and Community Development Department.

Transportation Commission

Number of Members:	7
Appointed By:	Mayor, Confirmed by City Council
Purpose/Comments:	To advise the City Council on transportation issues and to make recommendations to the City Council regarding Transportation Facility Plans and related transportation capital investment projects.  The Commission meets weekly and is staffed by the Transportation Department.

## B. LOCATION, POPULATION, AND BUSINESS CLIMATE

### A Growing City

Bellevue, the fifth largest city in the state with a population of 116,500 in 2004, is located on the eastern shore of Lake Washington near the population and geographical center of the Puget Sound region. It is just 11 miles from Seattle and 40 miles from Tacoma with the mountains of the Cascades to the east, and Mount Rainier to the south. Bellevue is about three hours north of Portland, Oregon, and two hours south of Vancouver, Canada.

As a thriving central city encompassing an area of approximately 31.5 square miles, Bellevue is a major employment center within the Puget Sound region.

During the rapid period of regionally employment growth that occurred between 1995 and 2001, the number of jobs in Bellevue increased by almost 30 percent. This was part of a trend in which employment in cities in the Eastside of King County grew particularly quickly relative to the region generally and to the state as a whole. Between 2001 and 2002, Bellevue, like the region as a whole, experienced a loss of jobs, and Bellevue was hard hit and lost approximately 8 percent of its employment base, or nearly 10,000 jobs during this time period.



However, despite that job loss, figures from the state Department of Employment Security indicate there were still 17 percent more jobs in Bellevue in 2002 than in 1995. As of 2005 there is estimated to be about 131,000 total jobs in the city.

Bellevue's employment base is expected to grow between 25 and 30 percent over the next 20 years, resulting in an increase of 30,000 to 35,000 new jobs. Bellevue's daytime population is about 180,000. Bellevue ranks second in the state in both retail sales and property values (as measured by assessed valuation). Its location at the crossroads of the Eastside between the shores of Lake Sammamish and Lake Washington strategically positions Bellevue as a strong economic force in the Puget Sound region.

### Expanding Economy

Bellevue started as a pastoral market hub for blueberry fields and farms. Founded in 1869 by William Meydenbauer, the rural community did not change much until the first floating bridge crossed Lake Washington in 1940. In the past two decades the City has grown to skyscraper heights and shed its "suburban" status to become a thriving metropolis and a "Technology Corridor" that is home to many of the world's leading high-tech companies. Bellevue is the metropolitan hub for leading high-tech companies encompassing such sectors as software development, internet and network services, multi and digital media, and biotech. Its prestigious high-rise core provides office space for thousands of professionals. Microsoft Corporation and the University of Washington, one of the nation's largest public research institutions, are within close proximity.

A diversified mix of industries exists within Bellevue with retail and service sectors being the largest. Department stores, automobile dealerships, and electronic/computer stores lead the retail sector. The service sector has a high concentration of real estate companies, engineering firms, financial institutions,

accounting firms, and computer software companies. Bellevue is home to four of the top 25 largest public companies in Washington including Puget Sound Energy, a regional electric and natural gas utility; PACCAR, a manufacturer of trucks and other heavy equipment; Western Wireless, a cellular communication company; and Esterline Technologies, a diversified manufacturing company. Newer companies located in Bellevue make up 5 of the top 50 fastest-growing public companies in Washington and include: Infospace, a provider of software and high-tech applications, Drugstore.com, an online retailer, and Coinstar, Inc. which provides a network of supermarket-based coin counting and other electronic services. Bellevue is also home to three of the top 25 fastest-growing private companies in Washington.

Bellevue is also a major trading center which is well-linked to established transportation corridors. Two interstate highways converge at Bellevue: I-90 links the City to the east-west interstate system and I-405 connects Bellevue with the north-south interstate system. Its convention center attracts over a quarter of a million people to the City each year. The Port of Seattle, the second largest container port in the United States, is less than 20 minutes by interstate highway from downtown Bellevue. The City is also less than one-half hour from Seattle-Tacoma International Airport and several commuter airfields which provide links to other cities in the Pacific Northwest as well as internationally.

### Downtown Development

Downtown Bellevue continues to evolve as a vibrant urban center with a diverse mix of retail, residential, office, and cultural uses. Downtown Bellevue is recovering from the national economic downturn that saw office vacancy rates surpass 25% in mid-2002. Major new tenants are choosing Bellevue as the economy recovers, with available office space absorbed to the point where the vacancy rate at the beginning of 2005 is nearing 10%. A major signing at the end of 2004 was that of Symetra Financial, a former division of insurance company Safeco. It will be leasing 290,000 square feet in two prominent office towers in the core of downtown.



Many new residential and retail projects have been constructed between 2002 and 2004, adding greatly to street-level pedestrian activity and the attractiveness of Downtown Bellevue as a place to both live and do business. These recent projects include a half-dozen mixed-use buildings, totaling over 500 residential units plus ground-floor retail space. Nearly 4,500 people now call Downtown Bellevue home, with another 35,000 working downtown. Other large projects under construction in early 2005 include Lincoln Square (148 condos, 337-room hotel, and 310,000 square feet of retail), Ashwood Commons (278 residential units with accompanying retail and office space), a 256-room Courtyard by Marriott Hotel, a \$72 million remodel of an existing office building for a new downtown City Hall, and

completion of a 13-story office in the Summit Complex that was capped at four stories during the downturn.

### Downtown Transportation Improvements

The Access Downtown project was substantially completed in December, 2004, after three years of construction. This project added a High Occupancy Vehicle (HOV) Direct Access Ramp from I-405 at NE 6th Street to the Bellevue Transit Center, reconstructed NE 8th and NE 4th Street overpasses, constructed a new overpass at SE 8th Street interchange and built several street projects which have improved traffic flow to, from, and within downtown Bellevue. Project completion means that Bellevue-bound commuters - including carpools, vanpools and 177 buses daily -- now have faster, easier access into and out of downtown via I-405.

With completion of the Access Downtown project, the City has largely implemented its 1989 downtown plan. An update of the downtown plan, completed in 2003, identifies new recommendations to support ongoing growth and development through 2020, including transportation, parks, and community character. A major project component of the Downtown Plan currently underway is the extension of NE 10<sup>th</sup> Street. This project will ultimately extend NE 10<sup>th</sup> Street from 112<sup>th</sup> Ave NE across I-405 & through the Overlake Hospital Medical Center campus to connect with 116<sup>th</sup> Ave NE, resulting in improved access to the Overlake Hospital and Group Health Cooperative Medical Centers and reducing pressure on the already busy NE 8th Street crossing of I-405. Construction of a first phase of NE 10th is expected to begin in 2006 and be complete in 2007.

### Bellevue Schools and Higher Education

The Bellevue School District is one of the most “high-tech” in the country. Bellevue public schools have computers in every classroom. Many technically oriented courses, such as drafting, are taught exclusively on computers. With a total enrollment of 15,300 students in 2004, the Bellevue School District consists of 16 elementary school, 5 middle schools, 5 high schools, and 6 alternative schools. Bellevue is home to one of the nation’s finest community colleges. The National Workforce Center for Emerging Technologies, located on the campus of Bellevue Community College (BCC), focuses on cutting-edge information technology. BCC has a student body of nearly 22,000. Based on information from the 2000 Census, Bellevue’s adult population is very highly educated, with over half (54 percent) having a bachelor’s degree or higher. This is well above the countywide average of 40 percent.

### A Wired City

Bellevue residents value information technology and are among the nation’s most “connected” citizens. Based on a survey conducted in January and February 2005, about 86% have Internet access at home and 66% of those surveyed have high-speed access by either a cable modem or DSL. People use the Internet for a variety of daily activities including access to the City of Bellevue’s web page. Sixty-eight percent of Bellevue residents are aware of the City’s Internet site. Of these residents, fifty-four percent have used the City’s web site.

### Climate

Mild winters and cool summers characterized Bellevue. High temperatures in July average about 75° F (24° C) while low temperatures in winter drop below freezing an average of only 15 days per year. Average rainfall in the region is about 38 inches per year compared to 19.5 inches in San Francisco, 34.5 inches in Chicago, and 40.3 inches in Washington, D.C.

### Recreation Opportunities

Bellevue provides residents, visitors, and other stakeholders with a wealth of year-round outdoor recreation and spectacular natural beauty. Sailing, fishing, hiking, canoeing, kayaking, bicycling, golf, and water skiing are all popular activities. The City preserved over 1,700 acres of parks and open space, and nearly 50 miles of trails. It is truly a community for the future.

### General Demographics

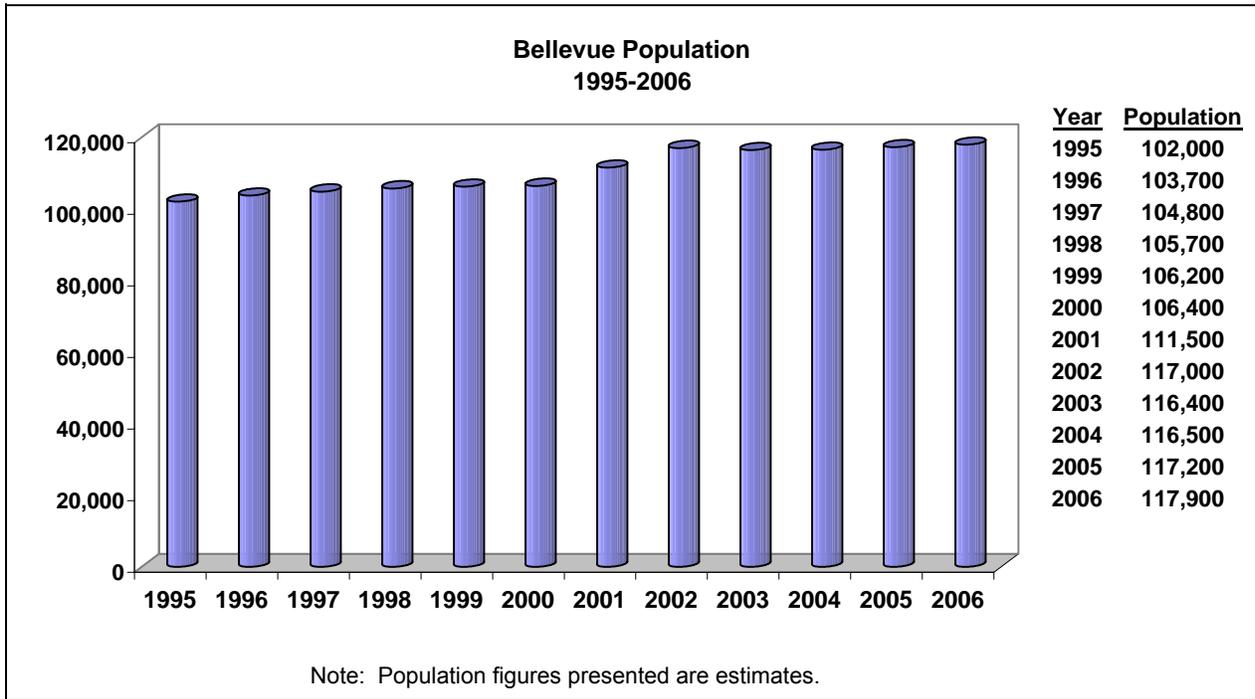
Bellevue's official 2003 population was 116,400 and is projected to be 116,500 in 2004. As the population has grown over the years, so has the median age and the diversity in Bellevue’s ethnic makeup.

In 2000, the median age was 38.2 years, up from 35.4 in 1990. During this period, residents age 65 or over went from comprising 10 percent of the population to making up 13.4 percent of the population. Bellevue's per capita income was \$36,905 in 1999 (as reported in the 2000 Census), which was significantly higher than the per capita income in the county as a whole. As a reflection of the diversity of Bellevue's increasing population, almost 25 percent of Bellevue's residents in 2000 were born outside of the United States, and almost 27 percent of Bellevue residents over the age of five speak a language at home other than English. Nearly 50 different languages are now spoken by children in Bellevue public schools. The City is also much more racially diverse, with over 17 percent of its residents being Asian. The City's Asian and Hispanic populations more than doubled during the 1990s.

Figure 6-5 displays key demographic trends for Bellevue.

Figure 6-5

Key Demographic Trends



<b>Other Key Demographics 2003-2006</b>						
	Actual 2003	Actual 2004	Projected 2005	Projected 2006	Unit Change 2005-2006	% Change 2005-2006
Puget Sound Per Capita Personal Income	\$38,372	\$39,890	\$41,771	\$43,612	\$1,841	4.4%
Puget Sound Unemployment	7.2%	5.7%	5.3%	5.1%	(0.2%)	(3.8%)
Seattle CPI-U	2.4%	2.6%	1.9%	2.3%	0.4%	21.1%
Square Miles	31.5	31.5	31.5	31.5	0.0	0.0%
Assessed Value (\$ in billions)	\$20.7	\$21.2	\$22.2	\$23.5	\$1.3	5.9%
Total Budget All City Funds (\$ in millions)	\$468.4	\$590.3	\$636.6	\$495.8	(\$140.8)	(22.1%)



## Council Vision/Mission/Priorities

---

This section includes the Bellevue City Council's vision and mission statements for the City of Bellevue organization and the 2004 priorities. At its January 2004 Council Retreat, the City Council initiated work on a revised vision statement for the community and an updated list of priorities for 2004 that will be refined during the Spring of 2005.

- The Vision Statement and Mission Statement were adopted by the City Council on April 28, 1997 and represent their vision for the City government.
- The Bellevue City Government Priorities were adopted by the City Council in 2001 and reaffirmed in 2002, and represent the overall priorities for the City government.
- The 2005-2006 Council Priorities were developed during various City Council Budget retreats and workshops during 2004 and provided a framework for departments to use in developing their proposed budgets.

These materials were used throughout the budget process and were utilized as tools by the City Manager in the review of department budget submittals.



**Vision Statement**  
**for Bellevue City Government**  
*(adopted by City Council on April 28, 1997)*

---

Bellevue City Government is innovative, efficient  
and fiscally responsible.

Council and staff are customer oriented,  
believe in quality, and work together  
to provide excellent  
basic services.

The City cares about its citizens and employees  
and values its roots.



**Mission Statement**  
**for Bellevue City Government**  
*(adopted by City Council on April 28, 1997)*

---

Through accessible, proactive  
leadership  
and governance,  
provide high-quality services  
and facilities  
that meet the needs of the community.



## **2004 City Council Retreat Priorities**

**for Bellevue City Government  
(adopted by City Council January, 2004)**

---

- Transportation
- Neighborhood Assistance Strategy
- Technology
- Cultural Infrastructure
- Community Outreach
- Human Infrastructure
- Regional Leadership Role and Messages
- Economic Vitality
- Public Safety
- Parks and Open Space

## 2004 Council Priorities

### Transportation

- *Create City-wide circulation network/circulator*
- *Integrate regional and local transportation visions /Exert regional and national leadership*
- *Implement the transportation visions*
- *Refine street and transit solutions that will serve Downtown for next ten years*
- *Achieve higher level of neighborhood satisfaction*

### Neighborhood Assistance Strategy

- *Help neighborhoods identify their distinctive characteristics, unique identity and pride*
- *Establish strategy for neighborhood redevelopment/renewal*
- *Rethink services delivered to neighborhoods and how we are internally organized/structured to provide these services*
- *Develop packet of information detailing Neighborhood Services*
- *Work with neighborhood partnerships on Code enforcement*

### Technology

- *Become a “Wired City” – provide equal access to technology/bandwidth*
- *Promote electronic service delivery to enhance convenience and accessibility for the public*
- *Leverage existing technology to streamline business processes*
- *Provide leadership to the region in integrating service delivery systems for users*
- *Explore opportunities for regional collaboration and sharing of information related to technology*
- *Continue to invest in research and development, partnerships, and innovative initiatives to maximize the benefits from our investments in technology*

### Cultural Infrastructure

- *Create community and neighborhood festivals/events*
- *Support cultural enhancements/performing arts center*
- *Define City role in promoting/sponsoring cultural arts*
- *Define what actions would be necessary for Bellevue to become the cultural center of the Eastside (see Vision Statement)*

### Community Outreach

- *Connect with and get involved with neighborhoods – Council more interactive/involved with neighborhoods*
- *Create additional opportunities for public forums for general outreach as well as specific topical discussions*
- *Utilize the City’s website to reach out and interact with neighborhoods and individual citizens*
- *Explore integrated communication network that serves all segments of the community*
- *Develop and implement “push” communication technologies to notify, inform and educate users based on their expressed interests*

## **Human Infrastructure**

- *Leverage work of existing human services agencies and religious institutions*
- *Consult with schools and religious institutions to learn about major changes in immigrant populations and needed revisions to programs affecting people*
- *Continue to partner with BCC and the schools on programming for disadvantaged/technology introduction/skill building*
- *Identify ways to leverage skills and smarts of retired residents into public/community service*
- *Increase multi-generational programs*
- *Continue to reach out to seniors, youth, immigrants, and disadvantaged citizens*
- *Explore relevance and applicability of federal human services initiatives to Bellevue's human services network*

## **Regional Leadership Role and Messages**

- *Address regional transportation, water, and human services governance issues*
- *Monitor and advocate for favorable Eastside Jail solutions*
- *Improve coordination of criminal justice programs/services*

## **Economic Vitality**

- *Foster ability to retain and enhance competitive advantage*
- *Rethink parking philosophy/consider building Downtown garage*
- *Promote neighborhood shopping center vitalization*
- *Link marina property to the City/Pedestrian Corridor*
- *Articulate the importance of economic vitality to citizens and employees*

## **Public Safety**

- *Explore Public Safety facility*

## **Parks and Open Space**

- *Increase recreational opportunities, land acquisition and open space vision*

## Comprehensive Financial Management Policy

---

### Purpose

The Comprehensive Financial Management Policy assembles all of the City's financial policies in one document. They are the tools used to ensure that the City is financially able to meet its immediate and long-term service objectives. The individual policies contained herein serve as guidelines for both the financial planning and internal financial management of the City.

The City of Bellevue is accountable to its citizens for the use of public dollars. Municipal resources must be wisely used to ensure adequate funding for the services, public facilities, and infrastructure necessary to meet the community's present and future needs. These policies safeguard the fiscal stability required to achieve the City's goals and objectives.

### Objectives

In order to achieve its purpose, the Comprehensive Financial Management Policy has the following objectives for the City's fiscal performance.

- A. To guide City Council and management policy decisions that have significant fiscal impact.
- B. To set forth operating principles that minimize the cost of government and financial risk.
- C. To employ balanced and fair revenue policies that provide adequate funding for desired programs.
- D. To maintain appropriate financial capacity for present and future needs.
- E. To promote sound financial management by providing accurate and timely information on the City's financial condition.
- F. To protect the City's credit rating and provide for adequate resources to meet the provisions of the City's debt obligations on all municipal debt.
- G. To ensure the legal use of financial resources through an effective system of internal controls.
- H. To promote cooperation and coordination with other governments and the private sector in the financing and delivery of services.

### Significant Changes

The development of the biennial budget provides the opportunity to review the City's Comprehensive Financial Management Policies and make necessary adjustments due to new or revised City ordinances and policies, State laws, or recommendations made by national accreditation and/or approval authorities. The Comprehensive Financial Management Policies were reviewed by Finance and other department staff and warrant only minor changes in the 2005-2006 Budget. These changes are highlighted in the following table.

## 2005-2006 Policy Changes

<b>Page/Section</b>	<b>Title</b>	<b>Change Summary</b>
Page 8-6 Section II, C.	Public Hearings	Reflects the public hearing dates of the 2005-2006 Budget. Two public hearings were held prior to the publication of the preliminary budget; the third and final hearing was held after the preliminary budget was presented to Council and before the final budget was adopted.
Page 8-10 Title V. (various sections)	Budget Development Process	Corresponds to the enhanced budget development process adopted by the Council for review of the 2005-2006 Budget.
Page 8-21 Figure 8-1	Utility Department Financial Policies	Includes Solid Waste Reserve Policies implemented to provide funding for working capital and emergencies as needed.
Page 8-60 Figure 8-5	Investment Policy / Performance	Increases weighted average maturity from 18 months to 24 months.
Page 8-65 Figure 8-6	Debt Policy	Decreases minimum requirement for debt refunding from 5% to 3% present value savings.

## Comprehensive Financial Management Policy Outline

- I. Financial Planning Policies
  - A. General Fund
  - B. Utility Funds
  - C. Parks Enterprise Fund
  - D. Development Services Fund
  - E. Resource/Expenditure Estimating
  
- II. General Budget Policies
  - A. Resources Greater than Budget Estimates
  - B. Budget Preparation
  - C. Public Hearings
  - D. Overhead and Full Cost Allocation
  - E. Examination of Existing Base Budget
  - F. Services to Keep Pace with Needs of Community
  - G. Maintenance of Quality Service Programs
  - H. Maintenance of Existing Services vs. Additional or Enhanced Service Needs
  - I. Budget Monitoring
  - J. Performance Budgeting
  - K. Interfund Charges Based on Full Cost
  - L. Program Budget Presentation Format
  - M. Distinguished Budget Presentation
  
- III. Utility & Other Fund Budget Policies
  - A. Utilities Department Financial Policies (*Figure 8-1*)
  - B. Building Permit Revenues and Expenditures
  - C. Parks Enterprise Revenues and Expenditures
  
- IV. State-Mandated Budget Requirements (*Figure 8-2*)
  - A. Key Requirements
  - B. Fund Types
  
- V. Budget Development Process
  
- VI. Budget Adjustment & Amendment Processes
  - A. Adjustment
  - B. Amendment
  
- VII. Agenda Memorandum Review
  
- VIII. Revenue Policies
  - A. Mix of Revenues
  - B. Taxes Should Be Selected for Balance, Applicability, and Probable Economic Impact
  - C. Property Tax Revenues for Park Maintenance
  - D. Charges for Services
  - E. Backup Convention Center Financing (*Figures 8-3 and 8-4*)

- IX. Operating Policies
  - A. Expenditures Should be Within Current Resource Projections
  - B. Unrestricted Revenues Should Remain Unrestricted
  - C. Continual Improvement of Service Delivery
  - D. Cash Management
  - E. Cash Reserves
  - F. Fund Balances
  - G. Fixed Asset Inventories
  - H. Allocation of Overhead Costs
  - I. Utility Debt Coverage Ratio Target
  
- X. Fund Description & Reserve Policies
  - A. Fund Descriptions
  - B. Reserve Policies
  
- XI. Capital Investment Program Plan Policies
  - A. Relationship of Long-Range Plans to the CIP
  - B. Establishing CIP Priorities
  - C. Types of Projects Included in the CIP
  - D. Scoping and Costing Based on Predesign Study
  - E. Required Project Features and Financial Responsibility
  - F. Predictability of Project Timing, Cost, and Scope
  - G. Local Improvement Districts
  - H. CIP Non-Utility Maintenance and Operating Costs
  - I. Preserve Existing Capital Infrastructure Before Building New Facilities
  - J. New Facilities Should be of High Quality, Low Maintenance, Least Cost
  - K. Public Input at All Phases of Projects
  - L. Basis for Project Appropriations
  - M. Balanced CIP Plan
  - N. Use of Debt in the CIP
  - O. Finance Director's Authority to Borrow
  - P. CIP Plan Update and Amendment
  - Q. Formalization of Monetary Agreements
  - R. Projected Grant Reserves
  - S. Projected Revenues from Future Land Sales
  - T. Land Sale Remnants
  - U. Applicable Project Charges
  
- XII. Intergovernmental Revenues
  - A. Grants Should Not Fund Ongoing Services
  - B. Grant Agreements Reviewed for Compliance with Regulations
  - C. Budgeting for Grant Expenditures
  - D. Protecting the City's Interests
  - E. Intergovernmental Agreements

- XIII. Accounting, Auditing, & Financial Reporting Policies
  - A. Accounting Records and Reporting
  - B. Auditing
  - C. Excellence in Financial Reporting
  - D. Simplified Fund Structure
  
- XIV. Investment Policy (*Figure 8-5*)
  
- XV. Debt Management Policy (*Figure 8-6*)
  
- XVI. Budget Ordinances
  - A. Ordinance 5523, New City Building, 6/1/04
  - B. Ordinance 5573, Water rates and charges, 12/6/04
  - C. Ordinance 5574, Sewer rates and charges, 12/6/04
  - D. Ordinance 5575, Storm and Surface Water rates and charges, 12/6/04
  - E. Ordinance 5576, Human Services funding, 12/6/04
  - F. Ordinance 5579, 2005 Property Taxes, 12/6/04
  - G. Ordinance 5580, 2005-2006 Budget and 2005-2011 CIP budget adoption, 12/6/04

## I. FINANCIAL PLANNING POLICIES

The City shall develop and maintain a six-year Financial Forecast that estimates resource and expenditure behavior for the two bienniums beyond the current budget period. This Forecast will provide the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions. This planning tool must recognize the effects of economic cycles on the demand for services and the City's resources. To this end, the Forecast should differentiate between revenue associated with one-time economic activities and revenues derived as a result of base economic growth. City financial planning should ensure the delivery of needed services (many of which become more critical during economic downturns) by assuring adequate reliance on ongoing resources in order to support continued City services during economic downturns.

The City is a major force in a complex regional economic system. The City must understand and anticipate changes in both regional and national economic trends in order to engage in strategic financial and management planning.

### A. General Fund:

1. The Finance Department will prepare and maintain a Financial Forecast for General Fund operations based on current service levels and current funding sources. This forecast will include the upcoming biennium as well as the two bienniums beyond the current period (a total of six forecast years). This future-oriented look will provide insight into whether the current mix and level of resources are likely to continue to be sufficient to cover current service levels. The forecast also allows staff and City Council to test various "what-if" scenarios and examine the fiscal impact on future bienniums.
2. The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate, and widely disseminated to users throughout the City.
3. Departments will forecast and monitor their respective revenues and expenditures with assistance from the Finance Department. The Finance Department will assist departments in developing appropriate systems for such monitoring and will retain overall fiscal oversight responsibility for the General Fund.
4. The Financial Forecast is updated at least two times each year. Any unexpected changes in economic conditions or other circumstances may prompt more frequent updates. Any significant changes are reported to the Leadership Team, City Manager, and Council.

### B. Utility Funds:

1. Financial forecasting will be done for the three Utility Funds in a manner similar to the General Fund. The purpose of these forecasts will be to allow the City Council and citizens to evaluate the longer-term financial needs of these programs.
2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. These forecasts will also identify other assumptions used in their preparation and the risks associated with them.
3. The forecasts must identify how they will impact rate structures.

C. Parks Enterprise Fund

1. Financial forecasting will be done for the Parks Enterprise Fund in a manner similar to the General Fund. The purpose of this forecast will be to allow the City Council and citizens to evaluate the longer-term financial needs of the funds' programs.
2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. This forecast will also identify other assumptions used and the risks associated with them.

D. Development Services Fund

1. Financial forecasting will be done for the Development Services Fund in a manner similar to the General Fund. The purpose of this forecast will be to allow the City Council and citizens to evaluate the longer-term financial needs of the funds' programs.
2. The forecasts should rely on the same basic economic assumptions as the General Fund Forecast. This forecast will also identify other assumptions used and the risks associated with them.

E. Resource/Expenditure Estimating

The financial planning and subsequent budgeting for all funds will be based on the following principles:

1. Resource and expenditure estimates should be prepared on a realistic basis with a target of  $\pm 2\%$  variance from the estimate for resources and  $\pm 1\%$  variance for expenditures.
2. Expenditure estimates should anticipate contingencies that are reasonably predictable.

II. GENERAL BUDGET POLICIES

- A. Resources Greater than Budget Estimates: Resources (fund balance) greater than budget estimates in any internal service fund shall be refunded to the contributing funds unless circumstances warrant retaining such monies for future expenditure in the current fund.
- B. Budget Preparation: Department directors have primary responsibility for formulating budget proposals in line with City Council, Leadership Team, and City Manager priority direction, and for implementing them once they are approved.

The Finance Department is responsible for coordinating the overall preparation and administration of the City's biennial budget and Capital Investment Program Plan. This function is fulfilled in compliance with applicable State of Washington statutes governing local government budgeting practices.

The Finance Department assists department staff in identifying budget problems, formulating solutions and alternatives, and implementing any necessary corrective actions.

- C. Public Hearings: The City Council will hold three public hearings on the budget. The first two will be held sufficiently early in the budget process to allow citizens to influence budget decisions and to allow the Council to indicate special priorities before City staff develops a preliminary budget recommendation. The third and final public hearing will be held shortly after the preliminary budget's initial presentation to the Council and before the Council's final budget deliberations. The final public hearing will be held prior to the time the Council fixes the annual property tax levy.

- D. Overhead and Full Cost Allocation: Department budgets should be prepared in a manner to reflect the full cost of providing services.
- E. Examination of Existing Base Budget: During each biennial budget development process, the existing base budget will be thoroughly examined to assure removal or reduction of any services that could be eliminated or reduced in cost.
- F. Services to Keep Pace With Needs of Community: The City will strive to ensure that City service priorities keep pace with the dynamic needs of the community by incorporating a service needs review as part of the budget process.
- G. Maintenance of Quality Service Programs: Quality service programs will be offered by the City of Bellevue. If expenditure reductions are necessary, service elimination is preferable to poor or marginal quality programs.
- H. Maintenance of Existing Services Versus Additional or Enhanced Service Needs: Significant annual resource allocations needed to maintain existing service quality will compete directly with investment proposals during the budget evaluation process. Inflation adjustments will be provided for all operating budgets.
- I. Budget Monitoring: The Finance Department will maintain a system for monitoring the City's budget performance. This system will provide the City Council with quarterly presentations to Council regarding fund level resource collections and department level expenditures. Included will be provisions for amending the budget during the year in order to address unanticipated needs, emergencies, or compliance with State of Washington budgetary statutes. Budget amendments requiring City Council approval will occur through a process coordinated by the Finance Department. Significant financial issues that need to be addressed between regular monitoring reports will be provided to Council as warranted.
- J. Performance Budgeting: Performance measures will be utilized and reported in department budgets. The City will prepare trends, comparisons to other cities, and other financial management tools to monitor and improve service delivery in City programs.
- K. Interfund Charges Based on Full Cost: Interfund charges will be based on recovery of the full costs associated with providing those services. Internal Service Agreements shall be established between vendor and client departments reflecting full cost recovery unless special circumstances exist. Any disputes will be brought to the City Manager or Deputy City Manager for resolution after thorough evaluation by the Finance Department.
- L. Program Budget Presentation Format: The focus of the City's biennial budget presentation is directed at displaying the City's services plan in a Council and constituent-friendly format.
- M. Distinguished Budget Presentation: The City will seek to obtain the Government Finance Officers Association Distinguished Budget Presentation Award for each biennial budget. The Budget will be presented in a way that clearly communicates the budget to members of the public.

### III. UTILITY & OTHER FUND BUDGET POLICIES

- A. Utilities Department Financial Policies: The Utilities Department Financial Policies, including Solid Waste Reserves policies, were last updated in conjunction with the 2005-2006 Budget. These policies have been included as Figure 8-1.

- B. Building Permit Revenues and Expenditures: Revenues derived from building permit fees shall be designated for the exclusive support of the development activities in the Development Services Fund. This fund will provide permit processing and compliance inspection services. Building permit fees shall include an overhead rate component to recover its share of general overhead costs, as well as department overhead from those departments directly involved in permit processing activities.
- C. Parks Enterprise Revenues and Expenditures: Revenues derived from golf and certain culture and recreation fees shall be designated for the exclusive support of activities in the Parks Enterprise Fund. This fund will maintain and operate the golf course, tennis center, and Robinswood House, administer adult athletic programs, pay approved maintenance services and overhead charges to the General Fund, and fund golf course improvements in the Capital Investment Program Fund. The Parks Enterprise Fund may also charge the General Fund for a portion of their programs that are offered with a "fee subsidy". This charge is designed to allow youth and special populations access to programs at less than full cost, to encourage participation.

#### IV. STATE-MANDATED BUDGET REQUIREMENTS

Washington State law (RCW 35A.34) specifies requirements that must be followed in budgeting each of the City's funds. The following summarizes the key areas covered in Washington State law:

##### A. Key Requirements:

1. The timing, process, and responsibility for each step.
2. A standard account classification system prescribed by the State Auditor.
3. Preparation and filing of a preliminary budget by the chief administrative officer.
4. A "budget message" from the chief administrative officer explaining the content, financial policies, and major proposed changes.
5. A public hearing on the proposed preliminary budget conducted before adoption of a final budget, which shall be held on or before the first Monday in December.
6. Procedures for handling special situations such as mid-biennium emergencies.
7. Limitations on the expenditure of City funds and procedures for amending the budget.
8. Quarterly or more frequent reporting to the City's legislative authority on the revenue and expenditure status of each fund.
9. Budgeting of nonoperating/special purpose funds on a different basis from operating budget funds.

##### B. Fund Types:

The City budgets all funds in accordance with the Optional Municipal Code, Section 35A.34 of the Revised Code of Washington, which is attached as Figure 8-2. In accordance with State law, the City prepares its biennial budget on an estimated cash receipts and disbursements basis and by a process that conforms to the stated timing requirements. The only exceptions are the following special purpose funds: special assessment (e.g., Local Improvement District (LID) Bond Fund) and custodial agency funds (e.g., Firemen's Pension Fund), where the City acts in a custodial capacity as the bookkeeper for monies belonging to others. The City maintains three primary types of funds: operating, capital project and other special purpose funds.

1. Operating funds finance the continuous, traditional service delivery functions of a municipality in Washington State. Expenditure authority (appropriations) for each of these funds lapses at the end of each biennium, and a new budget must be adopted by the City Council.
2. Capital project funds include the General and Utility Capital Investment Program Funds and the 2004 New City Hall Bond Fund which provide for the City's seven-year capital funding. This budget establishes the 2005-2006 appropriations for the Funds.
3. Special purpose funds are distinguished from operating/budgetary funds by their limited objectives and/or finite life spans. Special purpose fund budgets do not lapse at the end of the biennium, but are carried forward until the monies are fully expended or their objectives are accomplished or abandoned (RCW 35A.34.270). Examples of special purpose funds are the Operating Grants and Donations Fund, and the Housing Funds. The City has nine active special purpose funds.

As required by State law, the 2005-2006 Budget reflects balanced expenditure and revenue estimates for each of the City's funds. Although revenue estimates are made only at the fund level, expenditure budgets are prepared at the department and division level for the purpose of administrative control.

## V. BUDGET DEVELOPMENT PROCESS

The Finance Department is responsible for coordinating the overall preparation of the City's budgets. To accomplish this, staff issues budget instructions, conducts budget preparation training sessions, and communicates regularly with department staff. Their guidance provides the overall "rules of the game" within which the more detailed budget instructions and coordinating efforts are developed.

The following are key procedural steps in the City's budget development process. Note that the process and dates indicated below match the 2005-2006 process, and may be changed for future processes.

1. In March, the official "budget call" required by State law was made to all department directors or fund managers by the Budget Office as designees of the City Manager and Finance Director. Budget development instructions and other materials were provided to the departments at that time.
2. During late March and early April, an operating and CIP budget telephone survey was conducted. The telephone survey reached a statistically valid sample of Bellevue residents and queried residents on a variety of City services, including how important and satisfied residents were with these services.
3. From April to May, Budget Office staff met with more than 120 Bellevue residents, including youth, senior citizens, and diversity residents who are often underrepresented in traditional surveys. The meetings were designed to collect informal opinion from these individuals about City services.
4. In April, an early budget retreat was held to provide an overview of the 2005-2006 Budget and 2005-2011 CIP, and to identify Council initiatives.
5. From late April to early October, departments reviewed and updated their existing budget, including expenditure and revenue estimates, performance data, and financial and program delivery outcomes. Additionally, Directors met with staff to gather their input on the budget.
6. Revenue and expenditure estimates were developed and updated by the Finance Department throughout the budget process. "Early Outlook" Financial Forecasts were prepared and presented in April and June.

7. The initial public hearing was held during May and a second public hearing was held in July to provide the public with ample opportunity to comment on recommended programs and/or ideas for new programs.
8. Between April and July the Council met in a series of Review Sessions to discuss all aspects of the budget with City management staff. Council held two budget retreats, in July and September, and provided policy guidance to the City Manager and the Leadership Team.
9. From March through July, departments prepared investment requests (cost/benefit proposals for new spending) and reduction proposals (cost/service reductions) for review and discussion by City management staff.
10. During August and September the City Manager met with all Leadership Team members to review department budget submittals and to jointly develop recommended spending levels for departments. By early October, the preliminary budget proposal was established.
11. During October, preliminary budget documents were prepared, printed, and filed with the City Clerk. This proposed budget was presented to the City Council in late October, and copies were made available to the public immediately after the presentation.
12. Between late October and early December, the City Council met in a series of budget sessions to review and discuss the recommended budget.
13. The third and final public hearing was held in November during the time the City Council deliberated on the preliminary budget proposal. Public comment on recommended programs and/or ideas for new programs was provided at these public hearings.
14. In early December, the City Council, by a majority vote, adopted the budget by ordinance, establishing the budget appropriation for the next biennium (January 1, 2005 through December 31, 2006).
15. The budget is published and distributed during the first quarter of the following year. Copies are made available to the public.
16. Monthly and quarterly budget monitoring reports are published by the Finance Department to report on actual performance compared to budget estimates and to identify any remedial actions that may be needed.
17. As required by State law, a mid-biennium update will occur during the year following adoption of the biennial budget. This update is required by state law and allows for budget modifications and technical adjustments.
18. The budget development process described above is supplemented by information generated by the City's Financial Forecast. The forecast is a financial tool that provides the City's decision-makers with an indication of the long-term fiscal impact of current policies and budget decisions.
19. The budget process is also supplemented by information on service delivery performance and benchmarking with discussions and publication of a Comparative Cities Performance Report and an Annual Scorecard of Performance Measures.

## VI. BUDGET ADJUSTMENT & AMENDMENT PROCESSES

Under the provisions of State law and the City's operating procedures, the operating budget may be adjusted or amended in two different ways. Adjustment of the budget involves a reallocation of existing appropriations and does not change the budget "bottom line". Amendment of the budget involves an addition to or reduction of existing appropriations.

A. Adjustment

Under the first method, departmental expenditures and requirements are monitored throughout the year. Certain departments may develop the need for additional expenditure authority to cover unanticipated costs that cannot be absorbed within the budget, while other departments will not require their full budget authorizations. The Finance Department reviews and analyzes all department and/or fund budgets to determine what adjustments are necessary and whether the adjustments can be made within existing appropriation limits. These changes are then reviewed with the affected department and/or fund managers. When an adjustment is needed, Finance staff will look first to savings within the department; and then transfers between departments. No City Council action is needed as State law allows budget adjustments to be done administratively.

B. Amendment

Amending the City's budget occurs whenever the requested changes from department and/or fund managers will cause the existing appropriation level for the fund to change. This situation generally occurs when the City Council authorizes additional appropriation. This is done by an ordinance that amends the original budget and states the sources of funding for the incremental appropriations.

VII. AGENDA MEMORANDUM REVIEW

The Finance Department will review all agenda items submitted for City Council action. The objective of these reviews will be to ensure compliance with the budget and disclosure of all fiscal issues to the Council. This information will be presented in the fiscal impact section of each agenda memorandum.

VIII. REVENUE POLICIES

The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges, and taxes to support those services.

A. Mix of Revenues: The City should strive to maintain a diversified mix of revenues in order to balance the sources of revenue amongst taxpayers and to provide ongoing stability and predictability.

1. Property taxes and other stable revenues provide a reliable base of revenues during periods of economic downturn.
2. The City's overall revenue structure should be designed to recapture for the City some of the financial benefits resulting from City economic and community development investments.
3. The City will strive to keep a total revenue mix that encourages growth, and keeps Bellevue economically competitive and a City of choice for people to live and do business.

B. Taxes Should Be Selected for Balance, Applicability, and Probable Economic Impact: The following factors will be considered when the City's taxes are increased, decreased, extended, or changed in any way.

1. Stability of the tax source over its expected life.
2. Suitability for a pledge against future debt, if that is part of the City Council's long-range intent for the revenue source.

4. Spread the tax burden throughout the City's tax base by utilizing a broad array of the tax sources available, and by investigating mitigation of inequities and hardships where appropriate (e.g., property tax exemptions and deferrals, and utility tax rebates for low-income elderly people). State and local legislative remedies for detrimental tax impacts should be sought where appropriate.
  5. Apply the tax impact information for both residential and business taxpayers against a future vision of what the tax policy decision is intended to foster.
- C. Property Tax Revenues for Park Maintenance: Revenues derived from the Property Tax Lid Lift for Park Maintenance, which Bellevue voters approved in May 1988, shall be deposited in the General Fund to pay all costs necessary to fund the maintenance and operating costs of specific park facilities.
  - D. Charges for Services: As much as is reasonably possible, City services that provide private benefit should be supported by fees and charges in order to provide maximum flexibility in use of general City taxes to meet the cost of services of broader public benefit. Charges for services that benefit specific users should recover full costs, including all direct costs, capital costs, department overhead, and Citywide overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for such services. A subsidy of a portion of the costs for such services may be considered when consistent with legal requirements to meet other City interests and objectives, such as remaining competitive within the region.
  - E. Backup Convention Center Financing: In accordance with Ordinance No. 4094 (passed on 12/4/89) and Ordinance No. 4229 (passed on 3/4/91), 0.01% of the City's total gross receipts business and occupation taxing authority of 0.2%, is reserved as a backup financing mechanism for the Convention Center should additional financing beyond that contemplated in the adopted Convention Center Financing Plan become necessary. In addition, any additional increase in the City's B&O tax (measured by gross receipts) shall first require an analysis of the status of the Convention Center Financing Plan. This information must be included in any fiscal impact notes on agenda materials presented to the City Council for the purpose of increasing the B&O tax rate described above. Ordinance Nos. 4094 and 4229 are attached as Figures 8-3 and 8-4.

## IX. OPERATING POLICIES

The City should accommodate both one-time and ongoing expenditures within current resources, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness.

- A. Expenditures Should be Within Current Resource Projections: Ongoing expenditures should be equal to or less than ongoing revenues. Each City fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time resources and non-recurring ending fund balances will be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs.
- B. Unrestricted Resources Should Remain Unrestricted: Unless otherwise stated explicitly by the City Council, unrestricted resources will not be earmarked for specific purposes in the General Fund. This will preserve the ability of the Council to determine the best use of available resources to meet changing service requirements.
- C. Continual Improvement of Service Delivery: The City will seek to optimize the efficiency and effectiveness of its services through Business Process Improvement (BPI) efforts, performance budgeting and measuring, and by assessing its services with comparable cities to reduce costs and improve service quality.

- D. Cash Management: The Finance Department will develop, maintain, and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by City departments will be deposited with Finance within 24 hours of receipt.
- E. Cash Reserves: The City will maintain adequate cash reserves in order to reduce the potential need for borrowing or service reductions during periods of economic downturn. A Rainy Day Reserve Fund has been established with a target balance of 5% of unrestricted General Fund resources. (See separate Reserve Policies section for more information on the Rainy Day Reserve.)
- F. Fund Balances: Accruals and non-cash enhancements to revenues will not be made as a means to influence fund balances at year-end or during budget discussions.
- G. Fixed Asset Inventories: Accurate inventories of all physical assets (including roads infrastructure), their condition, life spans, and cost will be maintained to ensure proper stewardship of public property. The Finance Director will establish policies and appropriate procedures to manage fixed assets, including establishing the threshold dollar amount for which fixed asset records are maintained and how often physical inventories will be taken.
- H. Allocation of Overhead Costs: Overhead costs will be allocated to determine the full cost of providing services. Overhead costs will be allocated according to consistent methodology developed in consultation between the Finance Department and other operating departments.
- I. Utility Debt Coverage Ratio Target: The City Council adopted the following debt service coverage policy for the bonds issued by the City's Waterworks Utility on March 7, 1994 by Resolution No. 5759:  
  
"The City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00. The City Council authorizes the Waterworks Utility to utilize this policy in development of pro forma projections which will be disseminated to the bond rating agencies and to the financial community generally."

## X. FUND DESCRIPTION & RESERVE POLICIES

Fund descriptions and reserve policies have been developed in a standard format for all City funds and are included in the 2005-2006 Budget Detail volume.

### A. Fund Descriptions include the following:

1. Fund Type
2. Fund description
3. Year Created
4. Major Revenue Sources
5. Major Expenditures
6. Fund Custodian
7. Reserve Policy
8. Other Notes

### B. Reserve Policies include the following:

1. Budgeting for Reserves: The City will maintain and justify budgeted reserves.
2. Expenditure of Budgeted Reserves: Reserves included in the operating budget shall not be expended without the express written approval of the Finance Director.

3. Rainy Day Reserve Target and Purpose: A Rainy Day Reserve Fund, with a target reserve balance of 5% of General Fund unrestricted resources, will be maintained.

The Rainy Day Reserve's primary purpose is to protect the City's essential service programs during periods of economic downturn, which may temporarily reduce actual resources or cut the growth rate of City resources below that necessary to maintain pre-existing service levels.

## XI. CAPITAL INVESTMENT PROGRAM PLAN POLICIES

A number of important policy considerations are the basis for the Capital Investment Program (CIP) Plan. These policies provide guidelines for all financial aspects of the CIP, and ultimately affect the project selection process.

- A. Relationship of Long-Range Plans to the CIP: Virtually all of the projects included in the CIP are based upon formal long-range plans that have been adopted by the City Council. This ensures that the City's Capital Investment Program, which is the embodiment of the recommendations of these individual planning studies, is responsive to the officially stated direction of the City Council as contained in the Comprehensive Plan and supporting documents. Examples of these supporting documents are: Transportation Facility Plans [Central Business District (CBD), Bellevue-Redmond Overlake Transportation Study (BROTS), East Bellevue Transportation Study (EBTS), Newcastle), the Parks and Open Space Plan, the Municipal Facilities Plan, the Fire Master Plan, the CBD Implementation Plan and the Comprehensive Plans of the Water, Sewer, and Storm & Surface Water Utilities. There are exceptions, but they are relatively small when compared to the other major areas of expenditure noted above. These exceptions include activities such as the Neighborhood Enhancement Program (NEP) and the Community Development Program.
- B. Establishing CIP Priorities: The City uses the following basic CIP project prioritization and selection process.
  1. Each CIP program area establishes criteria to be used in the prioritization of specific projects submitted for funding. These specific criteria are developed in conjunction with City Council priorities and input from citizens and associated City boards and commissions (if applicable). The criteria established for this CIP are displayed in the 2005-2011 CIP Plan document in the tab titled "CIP Project Prioritization Criteria".
  2. The Finance Department determines revenue projections available to the non-utility CIP in consultation with various revenue-generating departments and the amount of resources available for new projects for each new seven-year Plan.
  3. The Finance Department and City Manager evaluate the various CIP projects and selects those with the highest priority.
  4. Within the available funding, the highest priority projects are then selected and funded in the CIP.
  5. CIP program area managers recommend an expenditure plan to the Finance Department and City Manager, which includes all capital costs and any applicable maintenance and operations (M&O) and/or required short-term financing costs. Program area managers are responsible for the cost estimates of their proposed programs, including future M&O costs related to the implementation of completed projects.
  6. A Preliminary CIP Plan is recommended to the City Council by the City Manager along with the operating budget recommendations.
  7. The City Council reviews the Operating and Preliminary CIP Plan, holds a public hearing(s) to allow for citizen input, makes desired alterations, and then officially adopts the budget and establishes related appropriations as a part of the City's biennial budget process.

- C. Types of Projects Included in the CIP Plan: The CIP Plan will display, to the maximum extent possible, all major capital projects in which the City is involved. While the following criteria may be used as a general guide to distinguish which projects should be included or excluded from the CIP Plan, there are always exceptions which require management's judgment.

For purposes of the CIP Plan, a CIP project is generally defined to be any project that possesses all of the following characteristics:

1. Exceeds an estimated cost of \$100,000;
  2. Involves totally new physical construction, reconstruction designed to gradually and systematically replace an existing system on a piecemeal basis, replacement of a major component of an existing facility or computer system, or acquisition of land or structures; and
  3. Involves City funding in whole or in part, or involves no City funds but is the City's responsibility for implementing, such as a 100% grant-funded project or 100% Local Improvement District funded project.
- D. Scoping and Costing Based on Predesign Study: It has proven difficult to develop accurate project scopes, cost estimates, and schedules on which no preliminary engineering or community contact work has been done. To address this problem, some projects are initially proposed and funded only for preliminary engineering and planning work. This funding will not provide any monies to develop final plans, specifications, and estimates to purchase rights-of-way or to construct the projects. However, generally, an estimated amount, sufficient to cover these costs based on a rough preliminary estimate is earmarked within the program area.
- E. Required Project Features and Financial Responsibility: If a proposed project will cause a direct impact on other publicly-owned facilities, an equitable shared and funded cost plan must be coordinated between the affected program areas.
- F. Predictability of Project Timing, Cost, and Scope: The predictability of timing and costs of projects is important to specific private developments, such as the provision of street improvements or the extension of major sewer lines or water supply, without which development could not occur. These projects generally involve significant financial contributions from such private development through impact fees, developer extension agreements, LIDs, and other means. Once a project has been approved by the City Council in the CIP, project scheduling is a priority to maintain.
- G. Local Improvement Districts (LID): This policy limits the use of LIDs to specific instances. Examples of when future LIDs may be formed are as follows: 1) where old agreements exist committing property owners to LID participation on future projects; 2) when current development activity or very recently past development activity has exempted these projects from the assessment of Transportation Impact Fees; 3) when a group of property owners wish to accelerate development of a certain improvement; 4) when a group of property owners desire a higher standard of improvement than the City's project contemplates; or 5) when a group of property owners request City assistance in LID formation to fund internal neighborhood transportation facilities improvements, which may or may not have City funding involved. If City funding is proposed by the project sponsors (property owners), they shall so request of the City Council (through the City Clerk) in writing before any LID promotion activity begins. The City Manager shall analyze such request within 45 days and report his conclusions and recommendation to Council for their consideration. The Council shall by motion affirm or deny the recommendation. The Council's affirmative motion to financially participate shall expire in 180 days, unless the project sponsors have submitted a sufficient LID petition by that time.

In the event the request is for street resurfacing in advance of the City's normal street resurfacing cycle, the City's contribution shall not exceed 50% of all project eligible costs.

On capital projects whose financing depends in part on an LID, interim financing will be issued to support the LID's portion of the project budget at the same time or in close proximity to the issuance of the construction contract. The amount of the interim financing shall be the current estimate of the final assessment roll as determined by the administering department.

In the event that the project is 100% LID funded, interim financing shall be issued either in phases (i.e., design phase and construction phase) or up front in the amount of the entire estimated final assessment roll, whichever means is estimated to provide the lowest overall cost to the project as determined by the Finance Department.

- H. CIP Non-Utility Maintenance and Operating (M&O) Costs: Non-utility CIP project M&O costs identified in the project description, as approved by the City Council, shall have a funding plan. Preferably, operating budget tax sources will not be provided for this purpose. More suitable sources of funding include: General CIP Revenue (the combination of the 5/10 and 3/100 of 1% of sales and B&O tax rates that have been allocated to the CIP for general capital purposes), property tax lid lifts, project-generated revenues e.g., user fees, or other new taxes. When the fund source for a project is General CIP Revenue, costs will be budgeted in the operating budget and an amount equivalent to their estimated cost will be reallocated from the CIP to the operating budget. This amount is adjusted upward each year by the anticipated inflation rate after first making any necessary adjustments (e.g., partial vs. full-year costs) and eliminating any one-time items. The amounts of these transfers are checked periodically for reasonableness.
- I. Preserve Existing Capital Infrastructure Before Building New Facilities: It is the City's policy to ensure that adequate resources are allocated to preserve the City's existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This policy addresses the need to protect the City's historical investment in capital facilities and to avoid embarking on a facility enhancement program, which when coupled with the existing facilities requirements, the City cannot afford to adequately maintain.
- J. New Facilities Should Be of High Quality, Low Maintenance, Least Cost: This policy has guided the development and execution of the CIP Plan through an emphasis on lowest life-cycle cost. Projects should only be built if the necessary funding to operate them is provided. Also, priority is given to new facilities that have minimal ongoing maintenance costs so as to limit the impact upon both the CIP and the operating budget.
- K. Public Input for Capital Projects: The City makes a serious commitment to public involvement. All of the City's long-range plans have been developed through an extensive citizen involvement program. Citizen involvement occurs at the long-range plan development stage, during CIP review and adoption, during master planning processes, during design and construction of specific projects, and through public processes associated with City boards and commissions. Public hearings are held during the CIP Plan development process to allow the public to comment on the recommended projects. The projects themselves call for an extensive public outreach effort, allowing those most closely effected to influence the design of the projects. While public input is essential to the successful implementation of the CIP Plan, staff and Council must also remain conscious of the overall effect upon costs when responding to requests of project neighbors.
- L. Basis for Project Appropriations: During the City Council's biennial CIP Plan review, the City Council will appropriate the estimated project costs for the biennium for all projects in the CIP Plan. Subsequent adjustments to appropriation levels for amendments to the CIP Plan may be made by the City Council at any time.

- M. Balanced CIP Plan: The CIP Plan is a balanced seven-year plan. This means that for the entire seven-year period, revenues will be equal to project expenditures in the Plan. It is anticipated that the plan will have more expenditures than revenues in single years of the Plan, but this imbalance will be corrected through the use of interim financing as needed. However, over the life of the seven-year plan, all planned interim debt will be repaid and all Plan expenditures, including interest costs on interim debt will be provided for with identified revenues. Any project funding plan, in which debt is not retired within the current seven-year Plan, must have specific City Council approval.
- N. Use of Debt in the CIP: The CIP is viewed as a long-term program that will continually address capital requirements far into the future. As such, the use of long-term debt has been minimized, allowing the City to put money into actual projects that benefit Bellevue residents and businesses rather than into interest payments to financial institutions. To that end, this policy limits debt to short-term obligations, primarily for cash flow purposes. Debt incurred will be paid back before the end of the current CIP. Finance staff monitor CIP cash flow regularly and utilizes fund balances to minimize the amount of borrowing required. Projected financing costs are included within a project in the General Government program area. There are exceptions to this policy for extraordinary circumstances, where Councilmanic or voted long-term debt have been issued to achieve major City goals that otherwise could not have been achieved, or would have been delayed an unacceptable amount of time.
- O. Finance Director's Authority to Borrow: The Finance Director is authorized to initiate interim and long-term borrowing measures, as they become necessary, as identified in the current CIP Plan.
- P. CIP Plan Update and Amendment: The CIP Plan will be updated at least biennially as a part of the City's biennial budget process. The City Council may amend the CIP Plan at any time if a decision must be made and action must be taken before the next CIP review period. The City Council has delegated authority to the City Manager to administratively approve CIP Plan adjustments, except for changes in project scope or changes that total more than 10% of a project's adopted CIP Plan budget (unless a 10% adjustment is less than \$10,000), or regardless of the percentage, budget changes totaling more than \$100,000. The Council has further authorized the City Manager to administratively approve the acceleration of project schedules so long as they can be accomplished without causing cash flow problems and with the understanding that any controversial issues would be brought before the City Council. All project additions or deletions must be approved by the City Council.
- Q. Formalization of Monetary Agreements: All agreements between the City and outside jurisdictions shall be in writing specifying the financial terms of the agreement, the length of the agreement, and the timing of any required payments. Formalization of these agreements will protect the City's interests. Program areas shall make every effort to promptly request any reimbursements that are due the City. Where revenues from outside jurisdictions are ongoing, these requests shall be made at least quarterly, unless alternative arrangements are approved by the City Manager or City Council.
- R. Projected Grant Revenues: At the Finance Director's discretion, grant-funded capital expenditures are budgeted prior to the specific grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted. With grant-funded capital acquisitions, the City will attempt to recover ongoing M&O costs, and replacement costs associated with the acquisition.

- S. Projected Revenues from Future Land Sales: The City recognizes that City-owned land is an asset that can be sold to finance CIP projects. With this in mind, the City shall cautiously allow land sale proceeds to be used as a funding source by program areas that have oversight responsibility for the land. The land shall be valued based on an appraisal performed either by the Transportation Department or an outside appraisal company. A conservative value shall be used to provide a cushion for economic shifts. The timing of the proceeds shall be estimated based on the length of time the property is likely to be on the market. However, if the land does not sell in a timely manner or its value turns out to be overestimated, then the program area must either reallocate revenue sources from other projects within its area, find an agreeable replacement funding source, or cease work on the project, if possible.
- T. Land Sale Remnants: The City is frequently left with property remnants following the completion of a project that required rights-of-way (ROW) acquisition. These remnants represent an asset to the program area that purchased them. If the project selling the land remnants is still active, the revenue from the sale shall be receipted as land sale proceeds in the project, therefore serving to partially offset the ROW acquisition costs. If the project is already completed at the time of the remnant sale, the land sale proceeds can either be used by the selling program area to help fund another of that program area's projects, or they can be deposited in the Land Purchasing Revolving Fund for future use by the purchasing program area.
- U. Applicable Project Charges: CIP projects should reflect all costs that can be clearly shown to be necessary and applicable. Staff charges to CIP projects will be limited to time spent actually working on those projects and shall include an overhead factor to cover the applicable portion of that person's operating cost.

## XII. INTERGOVERNMENTAL REVENUES

Many service costs of the City are influenced by other governments, either because of service overlap or service mandates imposed by the county, state, or federal government. The City should take advantage of opportunities to enhance service delivery through intergovernmental cooperation, shared revenues, and grants while aggressively opposing mandates that distort local service priorities.

- A. Grants Should Not Fund Ongoing Services: The City will refrain from using grants to meet ongoing service delivery needs. In the City's financial planning, grants will be treated in the same manner as all other temporary and uncertain resources and will not be used to fund ongoing, basic service needs. With grant-funded capital acquisitions, the City will attempt to recover ongoing maintenance and operating costs, and replacement costs associated with the acquisition.
- B. Grant Agreements Reviewed for Compliance with Regulations: All grant agreements will be reviewed by the appropriate City staff, including Finance, City Attorney's Office, and sponsoring department, to ensure compliance with state, federal, and City regulations.
- C. Budgeting for Grant Expenditures: At the City Manager's discretion, grant-funded capital expenditures are budgeted prior to the specific grant award. City overhead or indirect costs for grant-funded programs will be included in all grant proposals, where permitted. With grant-funded capital acquisitions, the City will attempt to recover ongoing maintenance and operating costs, and replacement costs associated with the acquisition.
- D. Protecting the City's Interests: The City will aggressively oppose state or federal actions that mandate expenditures that the City Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
- E. Intergovernmental Agreements: The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. All intergovernmental agreements and contracts for service delivery will be brought forward to the City Council for approval.

### XIII. ACCOUNTING, AUDITING, & FINANCIAL REPORTING POLICIES

The City shall maintain a system of financial monitoring, control, and reporting for all operations and funds in order to provide effective means of ensuring that overall City goals and objectives are met.

- A. Accounting Records and Reporting: The City will maintain its accounting records in accordance with state and federal law and regulations. Budgetary reporting will be in accordance with the state's budget laws and regulations. The City will report its financial condition and results of operations in accordance with state regulations and generally accepted accounting principles (GAAP) applicable to governments.
- B. Auditing: The State Auditor will annually perform the City's financial and compliance audit. Their opinions will be contained in the City's Comprehensive Annual Financial Report (CAFR). Results of the annual audit shall be provided to the Council in a timely manner.
- C. Excellence in Financial Reporting: As an additional independent confirmation of the quality of the City's financial reporting, the City will annually seek to obtain the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The CAFR will be presented in a way designed to communicate with citizens about the financial affairs of the City.
- D. Simplified Fund Structure: The City will minimize the number of funds. The funds will be categorized in accordance with generally accepted accounting principles (GAAP) for reporting purposes, although some funds may be functional classifications but may also be referred to by City of Bellevue fund types.

### XIV. INVESTMENT POLICY

The City shall maintain a current investment policy. A copy is attached as Figure 8-5.

As an additional independent confirmation of the integrity of the City's Investment Policy, the City's policy has been certified by the Municipal Treasurers' Association of the United States and Canada.

### XV. DEBT MANAGEMENT POLICY

The City shall maintain a current debt policy. A copy is attached as Figure 8-6.

# Waterworks Utility Financial Policies

December, 2004

## **INTRODUCTION**

The Waterworks Utility is the financial consolidation of the Sewer, Storm & Surface Water and Water Utilities of the City of Bellevue for debt rating and coverage purposes as established in Ordinance No.'s 2169, 2845, 3158 and 4568. It pledges the strengths and revenues of the three separate Utilities for the common financial good while keeping each Utility financially separate for budgeting, rate-setting, revenues, expenditures, debt and accounting.

These "Financial Policies" apply uniformly to the Sewer, Storm & Surface Water and Water Utilities with few, unique exceptions which are identified separately. This update reflects changes consistent with current long-range financial planning, particularly with regard to renewal and replacement funding, the use of debt and rate policies. They supersede the Financial Policies, which were adopted under Resolution No. 5967 in 1995.

These policies do not stand-alone. They must be taken in context with the other major City and Utilities documents and processes. For instance, each Utility has its own Comprehensive Plan, which documents its unique objectives, planning, operations and capital needs. These Comprehensive Plans have historically had a 20-year planning horizon. Future Comprehensive Plans will need to evaluate long term renewal and replacement of aging facilities, much of which were constructed in the 1950's and 1960's during periods of high growth rates and are approaching the end of their useful life. Life cycle costs should be considered in planning the future capital facilities and infrastructure needs.

The City has a seven-year City-wide Capital Investment Program (CIP) Plan which is updated with each biennial budget cycle. All major City capital projects are included. Generally, they are described as over \$25,000; involving new physical construction, reconstruction or replacement; and involving City funding. The CIP identifies the level and source of funding for each project. The CIP includes specific sections for each Utility which identify near-term capital projects consistent with each current Utility Comprehensive Plan and several projects of general scope including renewal and rehabilitation, capital upgrades, response to growth and other system needs.

### **I. GENERAL POLICIES**

#### **A. *Fiscal Stewardship***

**The Waterworks Utility funds and resources shall be managed in a professional manner in accordance with applicable laws, standards, City financial practices and these Financial Policies.**

Discussion:

It is incumbent on Utility management to provide professional fiscal management of utility funds and resources. This requires thorough knowledge of and conformance with the City financial management processes and systems as well as applicable laws and standards. It also requires on-going monitoring of revenues and expenses in order to make decisions and report to City officials, as needed, regarding the status of Utilities financing. Independent financial review, analysis and recommendations should be undertaken as needed.

## **B. Self-sufficient Funding**

**Each Utility shall remain a self-supporting enterprise fund.**

Discussion:

The revenues to each Utility primarily come from customer charges dependent on established rates. State law requires that utility funds be used only for utility purposes. Since each Utility has somewhat differing service areas, it is essential for rate payer equity that they be kept financially separate and accountable. The City's General Fund can legally contribute to the Utility funds but does not. The City budgeting process includes a balanced and controlled biennial Utility budget. This requires careful preparation of expense and revenue projections that will be reviewed by City management, the Environmental Services Commission, the general public and the City Council prior to approval of any change in Utility rates.

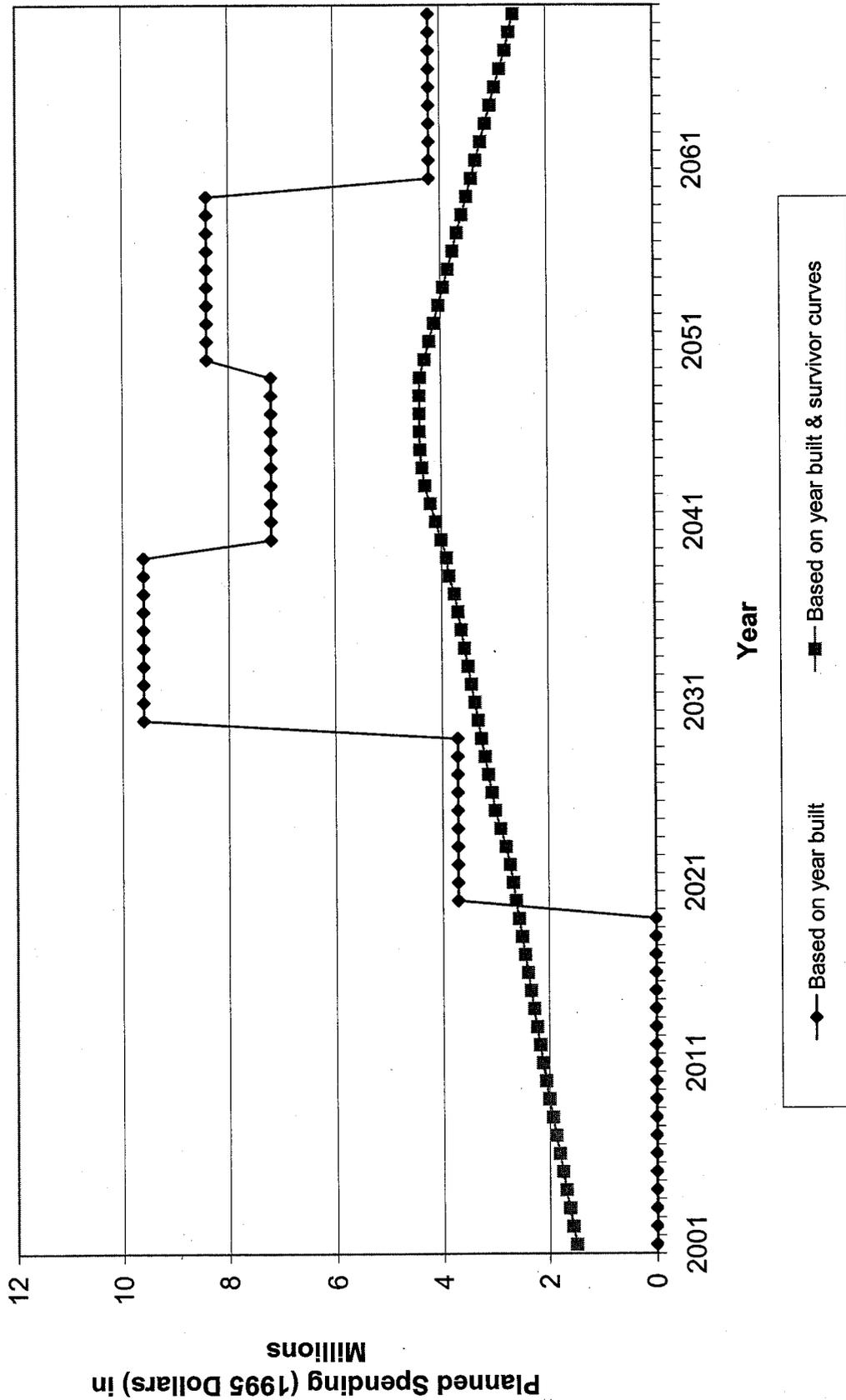
## **C. Comprehensive Planning Policies**

**Comprehensive Plans for the Water and Sewer Utilities shall be completed or updated every six years, using a 20-year planning horizon or greater and considering life cycle costs to identify funding needs. Comprehensive Storm & Surface Water System Plans and individual Storm & Surface Water Basin Plans will be completed and updated as required using similar criteria for planning infrastructure needs.**

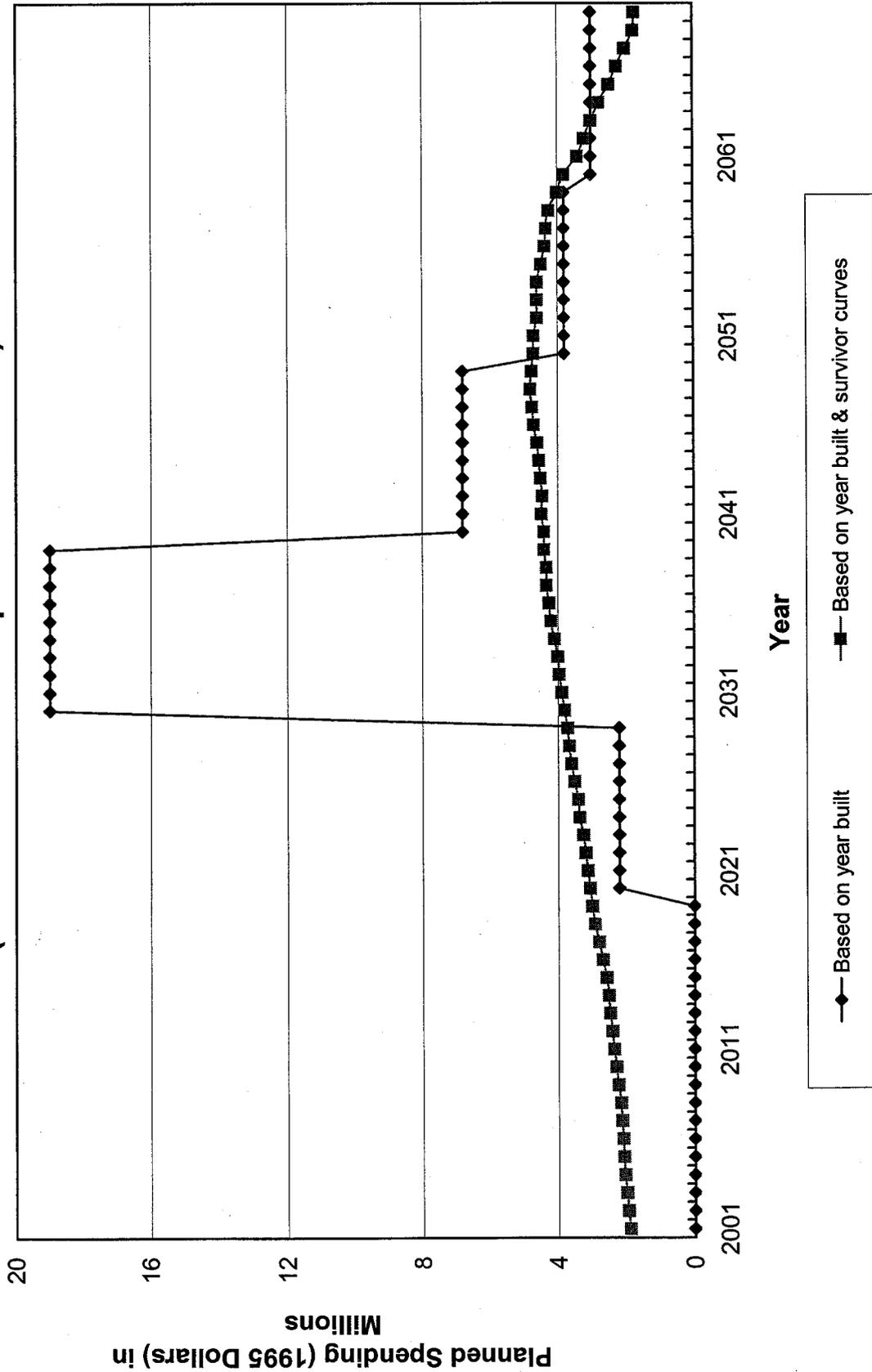
Substantial portions of the City utility systems were constructed in the 1950's and 1960's. These systems are approaching the end of their useful life as can be seen on the following Exhibit 1 - Watermain Replacement Spending and Exhibit 2 - Sewermain Replacement Spending. The storm & surface water infrastructure is of similar age but has not been graphed. It most likely has a relatively shorter expected life span. The object is to determine and follow a survivor curve replacement schedule rather than the replacement schedule based on age alone. Assumptions for survivor curves and useful lives are revisited periodically. These were assessed in 2004 and updated for the most recent engineering and financial findings. Significant changes include the adjustment of replacement costs to current price levels, categorization of pipe assets based on expected useful lives, and replacement of major non-pipe Utility assets such as pump stations and reservoirs. The Exhibits depict an example survival replacement curve based on preliminary estimates only. As real needs are determined, they will replace the estimated curves. Renewal and/or replacement will require substantial reinvestment in the future and have major rate impacts if large portions of the systems have to be replaced in relatively short periods of time. The actual useful life of underground utilities is difficult to determine and the best available data is needed to be able to plan for the orderly and timely renewal and/or replacement. For this purpose, the comprehensive plans need to have at least 20 year planning horizons and must address the aging of the Utility systems.

Long term comprehensive planning for the Utility systems is required in order to assure that the future financial needs are anticipated and equitable funding plans can be developed. In order to keep funding plans current, comprehensive plans need to be updated approximately every six years (as required by State law for water and sewer comprehensive plans). These Financial Policies will then be reviewed and updated as needed.

### Exhibit 1 Watermain Replacement Spending (Based on 75-Year Expected Asset Life)



### Exhibit 2 Sewermain Replacement Spending (Based on 75-Year Expected Asset Life)



## II. CAPITAL INVESTMENT PROGRAM POLICIES

### A. *General Scope*

The Utilities Capital Investment Program (CIP) will provide sufficient funds from a variety of sources for implementation of both short- and long-term capital projects identified in each Comprehensive Plan and the City-wide Capital Investment Program as approved by the City Council.

Financial planning for long-term capital investment shall be based on principles that result in smooth rate transitions, maintain high credit ratings, provide for financial flexibility and achieve inter-generational equity.

Discussion:

These near-term capital projects are usually identified in each Comprehensive Plan which also provides the criteria and prioritization for determining which projects will be constructed. Several projects of general scope are also included to allow for on-going projects that are less specifically identified due to their more inclusive nature.

In addition to these near-term projects, funding should be provided for long-term capital reinvestment in the system to help minimize large rate impacts as the systems near the end of their useful life and have to be renewed or replaced. Ordinance No. 4783 established a Capital Facilities Renewal & Replacement (R&R) Account for each Utility to provide a funding source for this purpose. Other policies describe how this Account is to be funded and expended.

A reinvestment policy by itself, without some form of planned and needed expenditure, could lead to excessive or unneeded expenditures, or conversely unnecessary accumulations of cash reserves. The reinvestment policy needs to tie the planned expenditures over time with a solid, long-term financial plan that is consistent with these policies.

The actual needs for the renewal/replacement expenditures should relate to the on-going need to minimize system maintenance and operating costs consistent with providing safe and reliable service, the age and condition of the system components, and any regulatory or technical obsolescence. In essence, plant should be replaced when it is needed and before it fails. As such, the goal setting measure of how much is an appropriate annual or periodic reinvestment in renewals and replacement of existing assets should be compatible with the age and condition of the infrastructure and its particular circumstances.

# ORIGINAL

WP0459C-ORD  
06/27/95

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4783

AN ORDINANCE creating utility capital replacement accounts for the Water, Sewer and Storm and Surface Water Utilities within the Utility Capital Investment Fund for the purpose of accumulating funding for long term replacement of utility facilities.

WHEREAS, the Utilities 1995 Cost Containment Study prepared by Financial Consulting Solutions Group, Inc. (FCSG) recommends that current utility rates recover from the ratepayers amounts which at a minimum are equal to the depreciated value of the original cost of utility facilities and at a maximum are amounts equal to the replacement value of utility infrastructure; and

WHEREAS, FCSG recommends that utility funds not needed for current expenditure be placed in a replacement account to be used in the future in combination with current revenues and/or debt financing to replace capital facilities nearing the end of their useful life; and

WHEREAS, implementation of FCSG's recommendations would promote intergenerational rate equity and provide more stable rates to customers over the long term; and

WHEREAS, the Council desires to make an initial, 1995 deposit of \$600,000 in savings from the Water Fund into the new capital replacement account for the Water Utility; now, therefore,

**THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:**

Section 1. The purpose of this ordinance is to establish capital facilities replacement accounts within the Utility Capital Investment Fund in order to assure a future funding source for replacement of utility facilities nearing the end of their useful life. The City Council will determine each year, as part of the adoption of the utilities operating budgets, how much, if any, utility revenue during the upcoming year shall be designated for transfer to a replacement account. The City Council may also authorize the receipt of other funds directly into these capital facility replacement accounts. Once deposited the funds will accumulate with interest. The decision regarding when and how to utilize such accumulated funds for the replacement of utility facilities will be made as part of the Utility Comprehensive Plans and Utility Capital Investment Program approval process.

# ORIGINAL

WP0459C-ORD  
06/27/95

Section 2. The following new accounts are established in the Utility Capital Investment Fund:

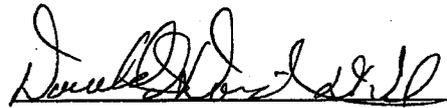
- Capital Facilities Replacement Account - Sewer
- Capital Facilities Replacement Account - Water
- Capital Facilities Replacement Account - Storm and Surface Water

Section 3. There is hereby authorized the 1995 transfer from the Water Utility Operating Fund to the Capital Facilities Replacement Account - Water the amount of \$600,000.

Section 4. This ordinance shall take effect and be in force five days after its passage and legal publication.

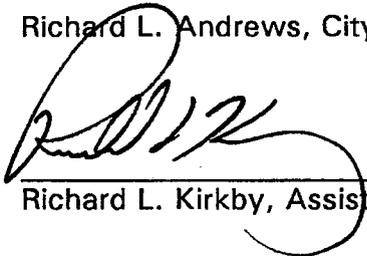
PASSED by the City Council this 24<sup>th</sup> day of July, 1995, and signed in authentication of its passage this 24<sup>th</sup> day of July, 1995.

(SEAL)

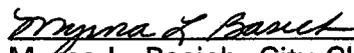
  
 \_\_\_\_\_  
 Donald S. Davidson, DDS, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

  
 \_\_\_\_\_  
 Richard L. Kirkby, Assistant City Attorney

Attest:

  
 \_\_\_\_\_  
 Myrna L. Basich, City Clerk

Published July 28, 1995

## **B. Funding Levels**

**Funding for capital investments shall be sustained at a level sufficient to meet the projected 20 year (or longer) capital program costs.**

**Funding from rate revenues shall fund current construction and engineering costs, contributions to the Capital Facilities Renewal and Replacement (R&R) Account, and debt service, if any.**

**Inter-generational equity will be assured by making contributions to and withdrawals from the R&R Account in a manner which produces smooth rate transitions over a 20 year (or longer) planning period.**

**On an annual basis, funding should not fall below the current depreciation of assets expressed in terms of historical costs less any debt principal payments.**

### **Discussion:**

These policies are based on the experience gained by developing a long-term Capital Replacement Funding Plan. In absence of such a plan, the range of capital investment funding should fall between the following minimum and maximum levels:

The minimum annual rate funding level would be based on the current depreciation of assets expressed in terms of historical costs, less any debt principal payments.

The maximum annual rate funding level would be based on the current depreciation of assets expressed in terms of today's replacement costs, less any debt principal payments.

The minimum level based on historical cost depreciation approximates the depletion of asset value. Some of the cost may already be in the rates in the form of debt service. Depreciation less debt principal repayment provides a minimum estimate of the cost of assets used. Any funding level below this amount defers costs to future rate payers and erodes the Utility's equity position, which puts the Utility's financial strength and viability at risk.

The maximum level based on replacement cost depreciation represents full compensation to the utility, in terms of today's value, for the depletion of assets. The replacement cost depreciation, again less debt principal repayment, provides a ceiling to an equitable definition of "cost of service".

The purpose of long-term capital reinvestment planning is to establish a target funding level which is based on need and to assure that funds will be available for projected capital costs in an equitable manner. The best projection of the needed capital reinvestment is based on a "survival curve" approach, approximating the timing and cost of replacing the entire system. This defines the projected financial needs and allows determination of equitable rate levels, funding levels for current capital construction and engineering, contributions to and withdrawals from the R&R Account, and the use of debt, if any. It also provides a means to project depreciation on both

historical cost and replacement cost basis which are used to calculate minimum and maximum funding levels, debt to fixed asset ratios, and debt coverage levels, if debt is used. These later measures can be used to assure that the financial plan meets conventional standards.

### **C. Use of Debt**

**The Utilities should fund capital investment from rates and other revenue sources and should not plan to use debt except to provide rate stability in the event of significantly changed circumstances, such as disasters or external mandates.**

**Resolution No. 5759 states that the City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00". Please note that the Moody's Investor Services rating should be Aa2 (not Aa as stated in Resolution No. 5759).**

#### Discussion:

The Utilities are in a strong financial position and have been funding the Utility Capital Investment Program from current revenues for a number of years. The current 20 year and 75 year capital funding plans conclude that the entire long-term renewal and replacement program can be funded without the use of debt if rates are planned and implemented uniformly over a sufficient period. Customers will pay less over the long-term if debt is avoided, unless it becomes truly necessary due to unforeseen circumstances such as a disaster or due to changes in external mandates. Having long-term rate stability also assures inter-generational equity without the use of debt because the rate pattern is similar to that achieved by debt service.

Use of low interest rate debt such as the Public Works Trust Fund loans, by offering repayment terms below market rates, investment earnings or even inflation, should be viewed as a form of grant funding. When available or approved, such sources should be preferred over other forms of rate or debt funding, including use of available resources. Since such reserves would generate more interest earnings than the cost of the loan, the City's customers would be assured to benefit from incurring such debt.

WP0254C-RES  
03/03/94

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 5759

A RESOLUTION relating to financial policy for the Waterworks Utility and adopting a debt service coverage policy for the Waterworks Utility

WHEREAS, the City of Bellevue is consistently recognized for its prudent financial management; and

WHEREAS, the City of Bellevue's Water and Sewer Bonds are currently rated Aa by Moody's Investor Services and AA- by Standard & Poor's Corporation, which are considered to be excellent ratings; and

WHEREAS, these excellent ratings result in lower interest costs on the City's Water and Sewer bonds, which, in turn, may result in lower water, sewer and storm drainage costs; and

WHEREAS, it is important to the rating agencies and to the financial community that the City articulate its financial goals for its Waterworks Utility; and

WHEREAS, a desirable debt service coverage ratio, the ratio of revenues available for debt service to the annual debt service requirement, positively affects the Utility's bond ratings; and

WHEREAS, the City Council deems it in the City's best interest to establish a debt service coverage policy target for the purpose of protecting its current bond rating and to allow for the development of financial projections, NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. The City Council hereby adopts the following debt service coverage policy for the bonds issued by the City's Waterworks Utility.

The City Council will establish utility rates/charges and appropriations in a manner intended to achieve a debt service coverage ratio (adjusted by including City taxes as an expense item) of approximately 2.00. The City Council authorizes the Waterworks Utility to utilize this policy in development of pro

WP0254C-RES  
03/03/94

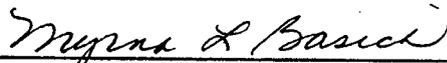
forma projections which will be disseminated to the bond rating agencies and to the financial community generally.

PASSED by the City Council this 7<sup>th</sup> day of March,  
1994, and signed in authentication of its passage this 8<sup>th</sup> day of  
March, 1994.

(SEAL)

  
\_\_\_\_\_  
Donald S. Davidson, DDS, Mayor

Attest:

  
\_\_\_\_\_  
Myrna L. Basich, City Clerk

## **D. Capital Facilities Renewal & Replacement (R&R) Account**

### **1. Sources of Funds**

Revenues to the R&R Account may include planned and one-time transfers from the operating funds, transfers from the CIP Funds above current capital needs, unplanned revenues from other sources, Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account.

### **2. Use of Funds**

Funds from the R&R Account shall be used for system renewal and replacement as identified in the CIP. Because these funds are invested, they may be loaned for other purposes provided repayment is made consistent with the need for these funds and at appropriate interest rates. Under favorable conditions, these funds may be loaned to call or decrease outstanding debt.

### **3. Accumulation of Funds**

The R&R Account will accumulate high levels of funds in advance of major expenses. These funds will provide rate stability over the long-term when used for this purpose and **should not be used for rate relief.**

#### Discussion:

Revenues from Capital Recovery Charges, Direct Facility Connection Charges and interest earned on the R&R Account are deposited directly into the R&R Account. Other transfers are dependent on the long-term financial forecast, current revenues and expenses, and CIP cash flows. The long-term financial forecast projects a certain funding level for the transfers to the CIP and the R&R Accounts. Rates should be established consistent with this long-term financial plan and will generate the funds for such transfers. Setting rates at lower levels may result in current rate payers contributing less than their fair share for long-term equity.

R&R Account funds must only be used for the purpose intended, that is the long-term renewal and replacement of the utility systems. They may be used for other purposes if it is treated as a loan, which is repaid with appropriate interest in time for actual R&R needs for those funds.

These accounts are each projected to accumulate tens of millions of dollars in order to meet the anticipated costs for the actual projects at the time of construction. It is the intent of these policies that these reserve funds will not be used for other purposes or to provide rate relief because that would defeat the long-term equity and could lead to the need for the use of debt to fund the actual needs when they occur.

### **III. SYSTEM EXPANSION AND CONNECTION POLICIES**

#### **A. *Responsibilities***

**Those seeking or who are required to have Utility service are responsible for extending and/or upgrading the existing Utility systems prior to connecting.**

Discussion:

It is the responsibility of the party seeking Utility service to make and pay for any extensions and/or upgrades to the Utility systems that are needed to provide service to their property. The extensions or upgrades must be constructed to City standards and requirements. This is typically accomplished through a Developer Extension Agreement with the City wherein requirements are documented, standards are established, plans are reviewed and construction is inspected and approved. Service will not be provided until these requirements are met.

The philosophical underpinning of this policy is that "growth pays for growth". Historically, developers constructed much of the City's utility infrastructure. If the infrastructure eventually would benefit more than the initial developer, the Utility signed a Latecomer Agreement to reimburse the original financier from charges to those connecting and receiving benefit at a later point in time. When the cost to extend and/or upgrade the system to accommodate development or redevelopment is beyond the means of a single developer, the Utility has employed a variety of methods to assist in the construction of the necessary infrastructure. Local Improvement Districts (LID's) historically have been used to provide financing for infrastructure for new development, with the debt paid over time by the property owners. Most of the older Utilities infrastructure was financed by this method.

The Utility has in some cases up-fronted the infrastructure construction for new development or redevelopment from rate revenues which are later reimbursed with interest, in whole or in part, by subsequent development through direct facility connection charges (see Cost Recovery Policy). Examples are the water and sewer infrastructure for Cougar Mountain housing development and Central Business District (CBD) redevelopment. Another example is the use of the Utility's debt capacity to provide for development infrastructure whereby the City sells bonds at lower interest rates than can private development, constructs the infrastructure, and collects a rate surcharge from the benefited area to pay off the bonds. Examples of this type of financing include the Lakemont development drainage infrastructure and the Meydenbauer Drainage Pipeline in the CBD.

#### **B. *Cost Recovery***

**The Utility shall establish fees and charges to recover Utility costs related to: (1) development services, and (2) capital facilities that provide services to the property.**

**The Utility may enter into Latecomer Agreements with developers for recovery of their costs for capital improvements, which benefit other properties in accordance with State law. The Utility will add an administrative charge for this service.**

Discussion:

In general, Utility costs related to development services are recovered through a variety of fees and charges. There are fixed rates for some routine services based on historical costs and inflation. There are fixed plus direct cost charges and applicable overhead for developer extension projects to cover the lengthy but variable level of development review and inspection typically required to implement these projects. These rates are reviewed periodically to ensure that the cost recovery is appropriate.

When the means of providing the infrastructure to serve a new development or redevelopment are beyond the means of a single developer, the Utility may elect to assist the developer by using: LID's, Latecomer Agreements, special debt (to be paid by special rate surcharges), up-fronting the costs from Utility rate revenues (to be reimbursed by future developers with interest through direct facility connection charges), or other lawful means. It is the intent of this policy to fully recover these costs, including interest, so as to reimburse the general rate payer.

Latecomer charges allow cost recovery for developers and private parties, for facilities constructed at their own expense and transferred to the Utility for general operation. Properties subsequently connecting to those systems will pay a connection charge that will be forwarded to the original individual or developer or the current owner depending on the terms of the Latecomer Agreement. The Utility collects an overhead fee on this charge for processing the agreements and repayments.

**C. Use of Revenues**

**All capital-related revenues such as Capital Recovery Charges and Direct Facility Connection Charges should be deposited in the Capital Facilities Renewal & Replacement Accounts.**

Discussion:

Capital Recovery Charges are collected from all newly developed properties in the form of monthly rate surcharges over a ten year period to reimburse the Utility for historical costs that have been incurred by the general rate base to provide the necessary facilities throughout the service area. These Capital Recovery Charges should be deposited in the Capital Facilities Renewal & Replacement Accounts.

Direct Facility Connection Charges are collected for capital improvements funded by the City as described above in Section 2 under Cost Recovery. The total cost of the improvement is allocated to the area of benefit and distributed on an equitable basis such as per residential equivalent unit. Interest is collected in accordance with State law.

**D. Affordable Housing Consideration**

**The Utility shall base connection charges on the number of units allowed under the basic zoning. Only incremental cost increases will be charged to affordable housing units.**

Discussion:

The City has adopted bonus density incentives for developers to build units specifically for affordable housing. Under historical practices these additional units would have been charged the same connection fee as all other units, resulting in a lower cost per unit for all units. While this is fair, it does not create any incentive to develop affordable housing. By charging only the incremental increased facility cost to the affordable housing units, all developers who include an affordable housing component will experience no increase in cost because of the affordable bonus density units. The cost per unit for affordable units is thereby reduced. The cost per unit for all other units, based on underlying land use zoning, remains unchanged.

#### **IV. RATE POLICIES**

##### **A. Rate Levels**

**Rates shall be set at a level sufficient to cover current and future expenses and maintain reserves consistent with these policies and long-term financial forecasts.**

**Changes in rate levels should be gradual and uniform to the extent that costs (including CIP and R&R transfers) can be forecast.**

**Cost increases or decreases for wholesale services shall be passed directly through to Bellevue customers.**

**Local and/or national inflation indices such as the Consumer Price Index (CPI) shall be used as a basis for evaluating rate increases.**

**At the end of the budget cycle, fund balances that are greater than anticipated and other one-time revenues should be transferred to the R&R account until it is shown that projected R&R account funds will be adequate to meet long-term needs, and only then used for rate relief.**

Discussion:

A variety of factors including rate stability, revenue stability, the encouragement of practices consistent with Utility objectives and these Waterworks Utility Financial Policies are considered in developing Utility rates. The general goal is to set rates as low as possible to accomplish the on-going operations, maintenance, repair, long-term renewal and replacement, capital improvements, debt obligations, reserves and the general business of the Utility.

Long-range financial forecast models have been developed for each of the Utilities, which include estimated operating, capital and renewal/replacement costs for a 75 year period in order to plan for funding long-term costs. Operating costs are assumed to remain at the same level of service and don't include impacts of potential changes due to internal, regional or federal requirements. Capital costs, including renewal/replacement, are projected based on existing CIP costs and

approximated survival curves for the infrastructure. The models are used to project rate levels that will support the long-term costs and to spread rate increases uniformly over the period. This is consistent with the above policy that changes in rate levels should be gradual and uniform. Uniform rate increases help ensure that each generation of customers bears their fair share of costs for the long-term use and renewal/replacement of the systems.

The biennial budget process provides an opportunity to add to or cut current service levels and programs. The final budget, with the total authorized expenses including transfers to the CIP Fund and the R&R Account, establishes the amount of revenue required to balance the expenses. A balanced budget is required. The budgeted customer service revenue determines the level of new rates. For example, if the current rates do not provide sufficient revenues to meet the projected expenses, the costs have to be reduced or the rates are increased to make up the shortfall.

For purposes of these policies, wholesale costs are defined as costs to the Utilities from other regional agencies such as the Seattle Public Utilities and/or the Cascade Water Alliance (CWA), and King County Department of Natural Resources for sewer treatment and any agreed upon Storm & Surface Water programs. Costs which are directly based on the Utilities' revenues or budgets such as taxes, franchise fees and reserve levels that increase proportionally to the wholesale increases are included within the definition of wholesale costs.

## **B. Debt Coverage Requirements**

**Utility rates shall be maintained at a level necessary to meet minimum debt coverage levels established in the bond covenants and to comply with Resolution No. 5759 which establishes a target coverage ratio of 2.00.**

### Discussion:

Existing revenue bond covenants legally require the City's combined Waterworks Utility, which includes the Water, Sewer and Storm & Surface Water Utilities, to maintain a minimum debt coverage ratio of 1.25 on a combined basis. In 1994, Council also adopted Resolution No. 5759 that established a policy, which mandates the Utilities to maintain a target combined debt coverage ratio of approximately 2.00, to further protect the City's historically favorable Utility revenue bond ratings. Water and Sewer Utility resources are counted in the official coverage calculation though Storm & Surface Water is responsible for the major portion of current outstanding Utility debt. Requiring Storm & Surface Water to separately maintain the minimum 1.25 legal debt coverage level and to move toward the 2.00 level will help ensure that necessary coverage requirements are met, and that customers of the other Utilities will not be unfairly burdened with the cost of meeting this obligation. It also ensures that sufficient coverage is available to the Water and Sewer Utilities if they need to incur debt.

### **C. Frequency of Rate Increases**

**Utility rates shall be evaluated annually and adjusted as necessary to meet budgeted expenses including wholesale cost increases and to achieve financial policy objectives.**

Discussion:

In 1996, the City changed to a biennial budget process and adopted a two-year Utilities budget including separate rates for 1997 and 1998. This practice will continue on a biennial basis. However, Utility rates will be evaluated on an annual basis and adjusted as necessary to ensure that they are effectively managed to achieve current and future financial policy objectives. Annual rate reviews will include preparation of forecasts covering a twenty-year period for Utility revenues, expenditures, reserve balances and analysis of the impact of various budgetary elements (i.e. CIP transfers, R&R Account transfers, debt service costs, debt coverage levels, operating expenses, and reserves) on both current and future rate requirements.

### **D. Rate Structure - Sewer**

**The Sewer Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide for equity between customers based on use of the system and services provided.**

Discussion:

In 1993, a Sewer Rate Study was performed that resulted in Council approval of a two-step, volume-based rate structure for single-family customers based on winter average metered water volumes instead of the traditional flat rate structure. Flat rate structures were seen as inequitable to low-volume customers who paid the same amount as high volume customers. Rates are based on the level of service used, rather than the availability of service.

The revenue requirements are based on the "average" single-family winter average volume calculated annually from the billing database. The charge for an individual customer is based on their winter average and then charged at that level each bill for the entire year to avoid charging for irrigation use. The customer's winter average is based upon the prior year's three winter bills because the current year's bills include winter months, which would result in the average constantly changing. Customers without prior winter averages to use for a basis are charged at the "average" volume until they establish a "winter-average" or sufficient evidence that their use is significantly different than the "average".

### **E. Rate Structure - Storm & Surface Water**

**The Storm & Surface Water Utility rate structure will be based on a financial analysis considering cost-of-service and other policy objectives, and will provide adjustments for actions taken under approved City standards to reduce related service impacts.**

Discussion:

In the existing Storm & Surface Water rate structure, customer classes are defined by categories of development intensity, i.e., *undeveloped, lightly developed, moderately developed, heavily developed* and *very heavily developed*. Based on theoretical run-off coefficients for each of these categories, higher rates are charged for increasing degrees of development to reflect higher run-off resulting from that development. Under this structure, billings for both residential and non-residential customers are determined by total property area and rates assigned to applicable categories of development intensity. Customers providing on-site detention to mitigate the quantity of run-off from their property receive a credit equal to a reduction of one rate level from their actual development intensity. Property classified as "wetlands" is exempt from Storm & Surface Water service charges.

Large properties, over 35,000 square feet, with significantly different levels of intensity of development may be subdivided for rate purposes in accordance with Ordinance No. 4947. In addition, properties with no more than 35,000 square feet of developed area in the light and moderate intensity categories may, at the option of the owner, defer charges for that portion of the property in excess of 66,000 square feet. The property owner may apply for a credit against the Storm & Surface Water charge when they can demonstrate that the hydrologic response of the property is further mitigated through natural conditions, on-site facilities, or actions of the property owner that reduce the City's costs in providing Storm & Surface Water quantity or quality services.

Future design of a water quality rate component will also use cost-of-service principles to assign defined water quality costs to customer classes, according to their proportionate contribution to Utility service demand. It is anticipated that these rate structure revisions will also provide financial incentives to customers taking approved actions to mitigate related water quality impacts.

#### **F. Rate Structures - Water**

**The water rate structure will be based on a financial analysis considering cost-of service and other policy objectives, and shall support water conservation and wise use of water resources.**

Discussion:

The water rate structure consists of fixed monthly charges based on the size of the customer's water meter and volume charges, which vary according to customer class and the actual amount of water that the customer uses. There are three different meter rate classifications: domestic, irrigation and fire standby. The different charges are based on a cost-of-service study.

State law and the wholesale water supply contract require the Utility to encourage water conservation and wise use of water resources. Seattle first established a seasonal water volume rate structure for this purpose in 1989 with higher rates in the summer than in the winter. In 1990, based on a water rate study and the desire to provide a conservation-pricing signal to our customers, the City adopted an increasing block rate structure for local volume rates. The rate structure was revised in 1991 to pass through an increase in wholesale water costs, which also included a higher seasonal water rate for summer periods. The block water rate structure was revised again in 1997, to incorporate new cost-of-service results from a 1996 water rate study.

An increasing block rate structure, charges higher unit rates for successively higher water volumes used by the customer. The current rate structure has four rate steps for single-family and three rate steps for multi-family customers, based on metered water volumes. All irrigation-metered water is charged at a separate, higher rate. Because non-residential classes do not fit well in an increasing block rate approach due to wide variations in their size and typical water use requirements, seasonal rates, with and without irrigation, were established for these customers. This rate structure will be thoroughly reviewed, as more historical information is available on the effect of the increasing block and seasonal rate structure.

In 1997, an additional category of fire protection charges was added for structures and facilities that benefit from the City water system but are not otherwise being charged for water service. For example, a number of homes are on private wells but are near a City-provided fire hydrant and enjoy the additional benefit of fire protection yet didn't pay for the benefit on a water bill. The charge is based on an equivalent meter size that would normally serve the facility. It also applies to facilities that have terminated water service but still stand and require fire protection, such as homes or buildings that are not occupied.

### **G. Rate Equity**

**The rate structure shall fairly allocate costs between the different customer classes. Funding of the long-term Capital Investment Program also provides for rates that fairly spread costs over current and future customers.**

#### **Discussion:**

As required under State law, Utility rates will provide equity in the rates charged to different customer classes. In general, rates by customer class are designed to reflect the contribution by a customer group to system-wide service demand, as determined by cost-of-service analysis. The RCW also authorizes utility rates to be designed to accomplish "any other matters, which present a reasonable difference as a ground for distinction". For example, increasing water rates for irrigation and higher levels of use is allowed to encourage the wise use and conservation of a valuable resource. Formal rate studies are periodically conducted to assure ongoing rate equity between customer classes and guide any future rate modifications necessary to support changing Utility program or policy objectives.

Contributions from current rates to the R&R Account also provide equity between generations of rate payers by assuring that each user pays their fair share of capital improvements, including renewal and replacement, over the long-term. (See sections B and D under the Capital Investment Program Policies).

### **H. Rate Uniformity**

**Rates shall be uniform for all utility customers of the same class and level of service throughout the service area. However, special rates or surcharges may be established for specific areas, which require extraordinary capital investments and/or maintenance costs. Revenues from such special rates or surcharges and expenses from capital investments**

**and/or extraordinary maintenance shall be accounted for in a manner to assure that they are used for the intended purposes.**

**Discussion:**

The City Water and Sewer Utilities originally formed by assuming ownership of three separate operating water districts and two sewer districts. In the assumption agreements, each included a provision that requires the Utility to uniformly charge all customers of the same class throughout the entire service area. The basic rates are set for all customers, inside and outside of the City, except for local utility taxes in Bellevue, and franchise fees in Clyde Hill, Hunts Point, Medina, and Yarrow Point. Unlike the Water and Sewer Utilities, the Storm & Surface Water Utility only serves areas within the City limits.

Under state law, Utilities are required to charge uniform rates to all customers in a given customer class, regardless of property location within the service area. The only exception permitted is for certain low-income customers (see below).

However, when conditions in particular service areas require extraordinary capital improvement or maintenance costs to be incurred, special rates or surcharges may be adopted to recover those costs directly from properties contributing to the specific service demand, instead of assigning that cost burden to the general Utility rate base. This will only apply for costs above and beyond normal operations, maintenance and capital improvements. For example, rate surcharges are being used to recover debt service costs for capital facilities in Lakemont and the CBD. An additional rate surcharge for Lakemont properties is being collected for extraordinary maintenance costs of the storm water treatment facility.

## **I. Rate Assistance**

**Rate assistance programs shall be provided for specific low-income customers as permitted by State law.**

**Discussion:**

Continual increases in all utility rates have had a significant impact on low-income customers. The City has adopted a rate discount or rebate program for disabled customers and senior citizens over 62 years old and with income below certain levels as permitted under State law and defined in Ordinance No. 4458. It has two levels, one discounting Utility rates by 40 percent and the other level by 75 percent, based on the customer's income level. Customers that indirectly pay for Utility charges through their rent can obtain a rebate for the prior year's Utility charges on the same criteria. The City also rebates 100 percent of the Utility Tax for these customers. The cost of this program is absorbed in the overall Utility expenses and is recovered through the rate base. The General Fund provides for the Utility tax relief.

There are other low-income customers who are less than 62 years old and currently receive no Utility rate relief. However, the City has instituted a separate rebate of Utility taxes for qualified low-income citizens.

## V. OPERATING RESERVE POLICIES

### A. *Operating Reserve Levels*

**The Utilities' biennial budget and rate recommendations shall provide funding for working capital, operating contingency, and plant emergency reserve components on a consolidated basis in accordance with the attached Summary of Recommended Consolidated Reserve Levels table and as subsequently updated.**

Discussion:

Utility resources not spent for operations remain in the fund and are referred to as reserves. At the end of each year, these funds are carried forward to the next year's budget and become a revenue source for funding future programs and operations. Under the terms of this policy, the Utility budget is targeted to include a balance of funds for the specific purposes stated above. While included in the total operating budget, these reserves will only be available for use pursuant to these reserve policies. Setting aside these budget resources in the reserve balance will help to ensure continued financial rate stability in future Utility operations and protect Utility customers from service disruptions that might otherwise result from unforeseen economic or emergency events.

The working capital reserve is maintained to accommodate normal cyclical fluctuations within the two month billing cycle and during the budget year. These are higher for Water than for Sewer and Storm & Surface Water due to more variable revenues and expenditures. They are described in terms of a number of days of working capital as a percentage of a full-year's budget.

The operating contingency reserve protects against adverse financial performance or budget performance due to variations in revenues or expenses. Again, the Water Utility is most susceptible to year-to-year variations in water demand. They are described in terms of percentages of budgeted wholesale costs and operations and maintenance (O&M) costs.

The plant emergency contingency reserve provides protection against a system failure at some reasonable level. The Storm & Surface Water Utility requires the largest reserve due to the risk of major flood damage to Utility facilities. Water and Sewer Utilities protect against the cost of a major main break or failure. These do not protect against the loss of facilities that are covered by the City's Self-Insurance to which the Utilities pay annual premiums nor are they sufficient to respond to a major disaster, such as a major earthquake.

City of Bellevue  
Summary of Recommended Consolidated Reserve Levels

Type of Reserve	Water		Wastewater		Storm Drainage	
	Basis	Level	Basis	Level	Basis	Level
Working Capital – Reserves against revenue and expense fluctuations within the 2 month billing cycle and during the budget year.	70 days of budgeted O&M costs (excludes debt service, capital funding).	\$4,451,000	30 days of Metro costs and 20 days of City O&M costs (excludes debt service, capital funding).	\$1,983,000	29 days of budgeted O&M costs (excludes debt service, capital funding).	\$582,000
Operating Contingency – Reserves against annual budget shortfalls due to poor financial performance.	7.5% of water purchase costs and 11% of other water O&M costs.	\$2,192,000	2% of Metro costs and 5% of other wastewater O&M costs.	\$800,000	2.5% of O&M costs.	\$183,000
Plant Emergency Contingency – Reserves against failure of a major facility or piece of equipment.	Cost for repair of water main break.	\$100,000	Cost of repair for wastewater main break.	\$100,000	\$500,000 based on potential net cost of flood damage.	\$500,000
Less: Allowance for duplicating or offsetting reserves.	None.	\$0	Working Capital and Operating Contingency include offsetting reserves equal to 2% of all O&M.	\$(357,000)	None.	\$0
Less: Allowance for consolidating reserves.	2.5% of City O&M for interfund charges between utilities.	\$(323,000)	1% City O&M for interfund charges between utilities.	\$(86,000)	1% of City O&M for interfund charges between utilities.	\$(73,000)
	Share of reduced plant emergency reserve.	\$(15,000)	Share of reduced plant emergency reserve.	\$(15,000)	Share of reduced plant emergency reserve.	\$(70,000)
	Lesser of min. working capital or plant emergency reserves.	\$(85,000)	Lesser of min. working capital or plant emergency reserves.	\$(85,000)	Lesser of min. working capital or plant emergency reserves.	\$(220,000)
<b>Total</b>		<b>\$6,320,000</b>		<b>\$2,340,000</b>		<b>\$902,000</b>

Note: Reserve levels based on adjusted 2004 utility budgets.

The reserves of the three utilities have historically been treated separately. This protects against cross-subsidy, thereby retaining rate equity for each utility, each of which has different customers. However, it results in higher reserve targets, with more funds retained than otherwise may be needed. Sharing risks among utilities can reduce reserves. This does not require that reserves actually be consolidated into a single fund, but simply that individual reserve targets reflect the strength provided by the availability of cross-utility support. Under the "consolidated" scenario, cash shortfalls in one reserve could be funded through inter-utility loans, to be repaid from future rates. The likelihood that a serious shortfall would occur in more than one fund at the same time is slight and the benefits of lower overall reserve levels will benefit rate payers. Also, the rate policies and the debt coverage policy will ensure that there will be a strong financial response to any significant shortfall. The risk is considered a prudent financial policy.

For this purpose, O&M costs are the entire annual operating budget of the Utility less the annual debt service, Capital Investment Program transfers and R&R Account transfers. Independent reserve levels are the levels that would be required by an individual Utility Fund (Water, Sewer and Storm & Surface Water) at any point in time to cover financial obligations if any one of the three reserve components were called for; i.e., working capital, operating contingency or plant emergency. At any single time, the full independent reserve levels should be available for the individual stated purpose, again because it is unlikely that all three components would be called for at once. For example, the Water Utility needs \$100,000 available for an emergency repair but it is not likely that the Sewer Utility will need \$100,000 and the Storm & Surface Water Utility will need \$500,000 all at the same point in time.

The consolidated basis is for budget and rate setting purposes only, to reduce the total revenue requirement by considering the reserve risk shared between the three utilities. The dual reserve levels should be considered as circumstances evolve.

In 2004, the Financial Consulting Solution Group (FCSG) performed an analysis of recommended changes to the Water Utility's working capital and operating contingency reserves to reflect the new wholesale water contract with CWA and to update reserve levels for current conditions. Under the new contract, billing practices for wholesale costs have changed as follows:

1. CWA payment occurs before the associated revenues are collected, resulting in a greater lag between wholesale expense and when revenues are collected.
2. CWA payments are distributed over the whole year based on predetermined percentages and not based on actual consumption during the year. Due to season revenue variation, there is an accumulative deficit in revenues prior to the peak revenue period.

In addition, the total costs to Bellevue are now largely fixed for the year due to the "take or pay" nature of the contract between CWA and Seattle Public Utilities. This shifts the risk during a poor water sales year to the City since there will not be a corresponding reduction in water purchase costs when water sales are down.

Changes in both billing practices as well as the fixed nature of the wholesale costs will result in an increase in required reserves for working capital and operating contingency for the Water Fund.

## **B. Management of Operating Reserves**

**Related to the recommended target reserve levels, a working range of reserves is established with minimum and target levels. Management of reserves will be based on the level of reserves with respect to these thresholds, as follows:**

**Above target - Reserve levels will be reduced back to the target level by transferring excess funds to the R&R Accounts in a manner consistent with the long-range financial plan.**

**Between Minimum and Target - Rate increases would be imposed sufficient to ensure that: 1) reserves would not fall below the minimum in an adverse year; and 2) reserves would recover 50% of the shortfall from target levels in a normal year. Depending on the specific circumstances, either of these may be the constraint, which defines the rate increase needed.**

**Below Minimum - Rate increases would be imposed sufficient to ensure that even with adverse financial performance, reserves would return at least to the minimum at the end of the following year. To meet this "worst case" standard, a year of normal performance would be likely to recover reserve levels rapidly toward target levels.**

**Negative Balance - Reserves would be borrowed from another utility to meet working capital needs. Similar to the "below minimum" scenario, rate increases would be imposed sufficient to ensure that even with adverse financial performance, reserves would return from the negative balance to at least the minimum target at the end of the following year, which would allow for loan repayment within that time frame.**

Discussion:

"Adverse financial performance" or "worst case" are defined by the 95% confidence interval based on historical patterns. The worst case year is currently defined as a year with sales volumes 15% below the sales volume for a normal year. This was determined by using statistical measurements of sales volumes for 18 years with a 95% confidence interval. That is, in any given year there is only a 5% chance that the worst case year would be more than 15% below the normal year. Another way to say the same thing is that in 19 out of 20 years the worst case year would not be more than 15% below the normal year.

Maintaining the 95% confidence interval, as more and more data becomes available, a worst case year could change upward or downward from the 15% variation from a normal year.

The recommended reserve policies are premised on the vital expectation that reserves are to be used and reserve-levels will fluctuate. Although budget and rate planning are expected to use the target reserve number, reserve levels planned to remain static are by definition unnecessary. It is therefore important to plan for managing the reserves within a working range between the minimum and target levels as stated in the above policies. There may be situations in short-range financial planning where reserves are maintained above target levels to overcome peaks in actual expenses.

In the event of an inter-utility loan, the balance for the borrowing utility would essentially be any cash balance less the amount owed. The lending utility would count the note as a part of its reserves, so that it does not unnecessarily increase rates to replenish reserves that are loaned.

In this management approach, there is still a risk that a major plant emergency could exceed the amount reserved. Such a major shortfall would require rate action to assure a certain level of replenishment in one year. To avoid rate spikes due to this type of action, they should be considered on a case-by-case basis. This will provide the flexibility to use debt or capital reserves in lieu of operating reserves to cover the cost and allow a moderated approach to replenishing reserves out of rates.

### **C. Asset Replacement Reserves**

**Utility funds will maintain separate Asset Replacement Accounts to provide a source of funding for future replacement of operating equipment and systems.**

**Anticipated replacement costs by year for the upcoming 20-year period, for all Utility asset and equipment items, will be developed as a part of each biennial budget preparation process. Budgeted contribution to the Asset Replacement Account will be based on the annual amount needed to maintain a positive cash flow balance in the Asset Replacement Account over the 20-year forecast period. At a minimum, the ending Asset Replacement Account balance in each Utility will equal, on average, the next year's projected replacement costs for that fund.**

**The Utilities Department will observe adopted Equipment Rental Fund (ERF) and Information Services budget policies and procedures in formulating recommendations regarding specific equipment items to be replaced.**

#### **Discussion:**

Providing reserves for equipment and information technology systems replacement allows monies to be set aside over the service life of these items to pay for their eventual replacement and alleviate one-time rate impacts that these purchases might otherwise require. Annual revenues set aside for this purpose will be based on aggregate Utility asset replacement cash flow needs over the long-term forecast period, instead of individual asset replacement amounts. This strategy will allow Utilities to minimize the progressive build-up of excess Asset Replacement Account balances that would result from creating and funding separate reserve accounts for individual Utility asset and equipment items.

## SOLID WASTE RESERVES POLICY

### RESERVE LEVELS

Consistent with other Utility funds, this policy recommends that some resources be budgeted as reserves to provide funding for working capital and emergencies. Setting aside reserves will help to ensure continued financial rate stability in future Solid Waste operations, and protect customers from service disruptions that might otherwise result from unforeseen economic or emergency events. While included in the total operating budget, these reserves will only be available for use pursuant to these reserve policies.

The Solid Waste fund performs three main functions: management and administration of the contract for the collection/disposal of residential and commercial garbage and recycling; customer outreach and education; and management of waste reduction and recycling grant funded projects.

The fund's two sources of income are fees and grant monies, as described below:

1. Management fees are paid to the fund per the garbage collection contract and provide base funding for all solid waste personnel, supplies and activities. Additional management fees are received for the commercial recycling program and are primarily used to compensate the contractor for that program.
2. The Solid Waste fund receives grant funding from several agencies for waste reduction and recycling projects. Grant agencies reimburse the fund for project expenses annually or semi-annually.

Reserve components are as follows:

1. **Working Capital.** Working capital reserves are necessary to accommodate normal cyclical fluctuations within the Solid Waste fund. There are two elements for this reserve component; one element supports the Solid Waste Management and the other supports the grant funded programs.

The solid waste collection/disposal and recycling programs have fairly predictable revenues and expenditures. Because of this, 45 days of budgeted O&M expenses are adequate for this portion of the reserve.

The grant funded programs are pre-funded by the Solid Waste fund and reimbursement requests are made semi-annually or annually, depending on the grant agency agreement. While most grant agencies pay reimbursement requests within 45 days of receipt, the existing reimbursement billing schedule can result in carrying project expenses for up to a year before funds are received. For this reason, reserves equal to 100% of historical average grant budgets are included to support cash-flow.

2. **Emergencies.** A reserve component is necessary to fund emergencies such as windstorms. While the majority of funding may be provided by FEMA, a reserve is required to support some part of the City's portion of FEMA covered emergencies, or additional clean-up/collection events due to weather related emergencies. A reserve policy allocation of \$75,000 is recommended to meet funding or cash flow needs. This reserve level would be adjusted by the CPI annually.

No reserve components are necessary for capital expenditures, operating contingency, debt service, liability or asset replacement since the majority of the operations are contracted and are not the City's responsibility. Reserves will be updated at each biennial budget development period.

<b><u>Projected Solid Waste 2004 Target Reserves</u></b>		
<b><u>Type of Reserve</u></b>	<b><u>Basis</u></b>	<b><u>Level</u></b>
<b>WORKING CAPITAL</b> – Reserves against revenue and expense fluctuations		
- Solid Waste collection/disposal and recycling programs	45 days of budgeted O&M	\$115,000
- Grant funded programs	100% of historical average of grant budget	\$265,000
<b>EMERGENCIES</b>	\$75,000 (2004 dollars) adjusted for annual CPI	\$75,000
<b>TOTAL</b>		<b>\$455,000</b>

### **MANAGEMENT OF THE RESERVE:**

The policy is premised on the expectation that reserves are to be used and reserve levels will fluctuate. It is therefore important to plan for managing the reserves within a working range. There may be situations in short-range financial planning where reserves are maintained above or below target levels.

The target reserve level will be established during the budget development process. If the reserve balance, including grant receivables, is projected to be less than the next year's reserve requirement, a deficit is created. This deficit would be recouped via a rate increase or through an adjustment to expenses. If the deficit is significant, a rate increase may be phased in over a two year period to alleviate a spike in rates.

Surplus funds are those funds over and above the target reserve level. As part of the biennial budget review, Council would direct the use of excess reserves.

**Chapter 35A.34 RCW  
BIENNIAL BUDGETS**

**SECTIONS**

- 35A.34.010 Legislative intent.
- 35A.34.020 Application of chapter.
- 35A.34.030 Definitions.
- 35A.34.040 Biennial budget authorized -- Limitations.
- 35A.34.050 Budget estimates -- Submittal.
- 35A.34.060 Budget estimates -- Classification and segregation.
- 35A.34.070 Proposed preliminary budget.
- 35A.34.080 Preliminary budget.
- 35A.34.090 Budget message -- Hearings.
- 35A.34.100 Budget -- Notice of hearing.
- 35A.34.110 Budget -- Hearing.
- 35A.34.120 Budget -- Adoption.
- 35A.34.130 Budget -- Mid-biennial review and modification.
- 35A.34.140 Emergency expenditures -- Nondebatable emergencies.
- 35A.34.150 Emergency expenditures -- Other emergencies -- Hearing.
- 35A.34.160 Emergency expenditures -- Warrants -- Payment.
- 35A.34.170 Registered warrants -- Payment.
- 35A.34.180 Adjustment of wages, hours and conditions of employment.
- 35A.34.190 Forms -- Accounting -- Supervision by state.
- 35A.34.200 Funds -- Limitations on expenditures -- Transfers and adjustments.
- 35A.34.205 Administration, oversight, or supervision of utility -- Reimbursement from utility budget authorized.
- 35A.34.210 Liabilities incurred in excess of budget.
- 35A.34.220 Funds received from sales of bonds and warrants -- Expenditures.
- 35A.34.230 Revenue estimates -- Amount to be raised by ad valorem taxes.
- 35A.34.240 Funds -- Quarterly report of status.
- 35A.34.250 Contingency fund -- Creation.
- 35A.34.260 Contingency fund -- Withdrawals.
- 35A.34.270 Unexpended appropriations.
- 35A.34.280 Violations and penalties.

**RCW 35A.34.010 Legislative intent.**

See RCW 35.34.010.

**RCW 35A.34.020 Application of chapter.**

This chapter applies to all code cities which have by ordinance adopted this chapter authorizing the adoption of a fiscal biennium budget. [1985 c 175 § 34.]

**RCW 35A.34.030 Definitions.**

Unless the context clearly indicates otherwise, the definitions in this section apply throughout this chapter.

- (1) "Clerk" includes the officer performing the functions of a finance or budget director, comptroller, auditor, or by whatever title the officer may be known in any code city.
- (2) "Department" includes each office, division, service, system, or institution of the city for which no other statutory or charter provision is made for budgeting and accounting procedures or controls.
- (3) "Legislative body" includes the council, commission, or any other group of officials serving as the legislative body of a code city.
- (4) "Chief administrative officer" includes the mayor of cities having a mayor-council plan of government, the commissioners in cities having a commission plan of government, the manager, or any other city official designated by the charter or ordinances of such city under the plan of government

governing the same, or the budget or finance officer designated by the mayor, manager, or commissioners, to perform the functions, or portions thereof, contemplated by this chapter.

(5) "Fiscal biennium" means the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year.

(6) "Fund" and "funds" where clearly used to indicate the plural of "fund" means the budgeting or accounting entity authorized to provide a sum of money for specified activities or purposes.

(7) "Funds" where not used to indicate the plural of "fund" means money in hand or available for expenditure or payment of a debt or obligation.

(8) Except as otherwise defined in this chapter, municipal accounting terms used in this chapter have the meaning prescribed by the state auditor pursuant to RCW 43.09.200.

[1985 c 175 § 35.]

NOTES: "Fiscal biennium" defined: RCW 1.16.020.

#### **RCW 35A.34.040 Biennial budget authorized -- Limitations.**

All code cities are authorized to establish by ordinance a two-year fiscal biennium budget. The ordinance shall be enacted at least six months prior to commencement of the fiscal biennium and this chapter applies to all code cities which utilize a fiscal biennium budget. Code cities which establish a fiscal biennium budget are authorized to repeal such ordinance and provide for reversion to a fiscal year budget. The ordinance may only be repealed effective as of the conclusion of a fiscal biennium. However, the city shall comply with chapter 35A.33 RCW in developing and adopting the budget for the first fiscal year following repeal of the ordinance. [1985 c 175 § 36.]

#### **RCW 35A.34.050 Budget estimates -- Submittal.**

On or before the second Monday of the fourth month prior to the beginning of the city's next fiscal biennium, or at such other time as the city may provide by ordinance or charter, the clerk shall notify in writing the head of each department of a city to file with the clerk within fourteen days of the receipt of such notification, detailed estimates of the probable revenue from sources other than ad valorem taxation and of all expenditures required by the department for the ensuing fiscal biennium. The notice shall be accompanied by the proper forms provided by the clerk, prepared in accordance with the requirements and classification established by the state auditor. The clerk shall prepare the estimates for interest and debt redemption requirements and all other estimates, the preparation of which falls properly within the duties of the clerk's office. The chief administrative officers of the city shall submit to the clerk detailed estimates of all expenditures proposed to be financed from the proceeds of bonds or warrants not yet authorized, together with a statement of the proposed method of financing them. In the absence or disability of the official or person regularly in charge of a department, the duties required by this section shall devolve upon the person next in charge of such department. [1995 c 301 § 55; 1985 c 175 § 37.]

#### **RCW 35A.34.060 Budget estimates -- Classification and segregation.**

All estimates of receipts and expenditures for the ensuing fiscal biennium shall be fully detailed in the biennial budget and shall be classified and segregated according to a standard classification of accounts to be adopted and prescribed by the state auditor after consultation with the Washington finance officers association, the association of Washington cities, and the association of Washington city managers. [1995 c 301 § 56; 1985 c 175 § 38.]

#### **RCW 35A.34.070 Proposed preliminary budget.**

On or before the first business day in the third month prior to the beginning of the biennium of a city or at such other time as the city may provide by ordinance or charter, the clerk or other person designated by the charter, by ordinances, or by the chief administrative officer of the city shall submit to the chief administrative officer a proposed preliminary budget which shall set forth the complete financial program of the city for the ensuing fiscal biennium, showing the expenditure program requested by each department and the sources of revenue by which each such program is proposed to be financed.

The revenue section shall set forth in comparative and tabular form for each fund the actual receipts for the last completed fiscal biennium, the estimated receipts for the current fiscal biennium, and the estimated

receipts for the ensuing fiscal biennium, which shall include the amount to be raised from ad valorem taxes and unencumbered fund balances estimated to be available at the close of the current fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' revenues to reflect actual and estimated receipts as if it had previously utilized a biennial budgetary process.

The expenditure section shall set forth in comparative and tabular form for each fund and every department operating within each fund the actual expenditures for the last completed fiscal biennium, the appropriations for the current fiscal biennium, and the estimated expenditures for the ensuing fiscal biennium. However, if the city was not utilizing a fiscal biennium budget for the previous three years, it shall set forth its fiscal years' expenditures to reflect actual and estimated levels as if it had previously utilized a biennial budgetary process. The expenditure section shall further set forth separately the salary or salary range for each office, position, or job classification together with the title or position designation thereof. However, salaries may be set out in total amounts under each department if a detailed schedule of such salaries and positions be attached and made a part of the budget document. [1985 c 175 § 39.]

**RCW 35A.34.080 Preliminary budget.**

The chief administrative officer shall prepare the preliminary budget in detail, making any revisions or additions to the reports of the department heads deemed advisable by such chief administrative officer. At least sixty days before the beginning of the city's next fiscal biennium the chief administrative officer shall file it with the clerk as the recommendation of the chief administrative officer for the final budget. The clerk shall provide a sufficient number of copies of such preliminary budget and budget message to meet the reasonable demands of taxpayers therefor and have them available for distribution not later than six weeks before the beginning of the city's next fiscal biennium. [1985 c 175 § 40.]

**RCW 35A.34.090 Budget message -- Hearings.**

(1) In every city, a budget message prepared by or under the direction of the city's chief administrative officer shall be submitted as a part of the preliminary budget to the city's legislative body at least sixty days before the beginning of the city's next fiscal biennium and shall contain the following:

- (a) An explanation of the budget document;
- (b) An outline of the recommended financial policies and programs of the city for the ensuing fiscal biennium;
- (c) A statement of the relation of the recommended appropriation to such policies and programs;
- (d) A statement of the reason for salient changes from the previous biennium in appropriation and revenue items; and
- (e) An explanation for any recommended major changes in financial policy.

(2) Prior to the final hearing on the budget, the legislative body or a committee thereof shall schedule hearings on the budget or parts thereof, and may require the presence of department heads to give information regarding estimates and programs. [1985 c 175 § 41.]

**RCW 35A.34.100 Budget -- Notice of hearing.**

Immediately following the filing of the preliminary budget with the clerk, the clerk shall publish a notice once a week for two consecutive weeks stating that the preliminary budget for the ensuing fiscal biennium has been filed with the clerk, that a copy thereof will be made available to any taxpayer who will call at the clerk's office therefor, that the legislative body of the city will meet on or before the first Monday of the month next preceding the beginning of the ensuing fiscal biennium for the purpose of fixing the final budget, designating the date, time, and place of the legislative budget meeting, and that any taxpayer may appear thereat and be heard for or against any part of the budget. The publication of the notice shall be made in the official newspaper of the city if there is one, otherwise in a newspaper of general circulation in the city. If there is no newspaper of general circulation in the city, then notice may be made by posting in three public places fixed by ordinance as the official places for posting the city's official notices. [1985 c 175 § 42.]

**RCW 35A.34.110 Budget -- Hearing.**

The legislative body shall meet on the day fixed by RCW 35A.34.100 for the purpose of fixing the final budget of the city at the time and place designated in the notice thereof. Any taxpayer may appear and be heard for or against any part of the budget. The hearing may be continued from day to day but not later than the twenty-fifth day prior to commencement of the city's fiscal biennium. [1985 c 175 § 43.]

**RCW 35A.34.120 Budget -- Adoption.**

Following conclusion of the hearing, and prior to the beginning of the fiscal biennium, the legislative body shall make such adjustments and changes as it deems necessary or proper and, after determining the allowance in each item, department, classification, and fund, shall by ordinance adopt the budget in its final form and content. Appropriations shall be limited to the total estimated revenues contained therein including the amount to be raised by ad valorem taxes and the unencumbered fund balances estimated to be available at the close of the current fiscal biennium. Such ordinances may adopt the final budget by reference. However, the ordinance adopting the budget shall set forth in summary form the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined.

A complete copy of the final budget as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 57; 1985 c 175 § 44.]

**RCW 35A.34.130 Budget -- Mid-biennial review and modification.**

The legislative authority of a city having adopted the provisions of this chapter shall provide by ordinance for a mid-biennial review and modification of the biennial budget. The ordinance shall provide that such review and modification shall occur no sooner than eight months after the start nor later than conclusion of the first year of the fiscal biennium. The chief administrative officer shall prepare the proposed budget modification and shall provide for publication of notice of hearings consistent with publication of notices for adoption of other city ordinances. City ordinances providing for a mid-biennium review and modification shall establish procedures for distribution of the proposed modification to members of the city legislative authority, procedures for making copies available to the public, and shall provide for public hearings on the proposed budget modification. The budget modification shall be by ordinance approved in the same manner as are other ordinances of the city.

A complete copy of the budget modification as adopted shall be transmitted to the state auditor and to the association of Washington cities. [1995 c 301 § 58; 1985 c 175 § 45.]

**RCW 35A.34.140 Emergency expenditures -- Nondebatable emergencies.**

Upon the happening of any emergency caused by violence of nature, casualty, riot, insurrection, war, or other unanticipated occurrence requiring the immediate preservation of order or public health, or for the property which has been damaged or destroyed by accident, or for public relief from calamity, or in settlement of approved claims for personal injuries or property damages, or to meet mandatory expenditures required by law enacted since the last budget was adopted, or to cover expenses incident to preparing for or establishing a new form of government authorized or assumed after adoption of the current budget, including any expenses incident to selection of additional or new officials required thereby, or incident to employee recruitment at any time, the city legislative body, upon the adoption of an ordinance, by the vote of one more than the majority of all members of the legislative body, stating the facts constituting the emergency and the estimated amount required to meet it, may make the expenditures therefor without notice or hearing.

[1985 c 175 § 46.]

**RCW 35A.34.150 Emergency expenditures -- Other emergencies -- Hearing.**

If a public emergency which could not reasonably have been foreseen at the time of filing the preliminary budget requires the expenditure of money not provided for in the budget, and if it is not one of the emergencies specifically enumerated in RCW 35A.34.140, the city legislative body before allowing any expenditure therefor shall adopt an ordinance stating the facts constituting the emergency and the estimated amount required to meet it and declaring that an emergency exists.

The ordinance shall not be voted on until five days have elapsed after its introduction, and for passage shall require the vote of one more than the majority of all members of the legislative body of the city.

Any taxpayer may appear at the meeting at which the emergency ordinance is to be voted on and be heard for or against the adoption thereof. [1985 c 175 § 47.]

**RCW 35A.34.160 Emergency expenditures -- Warrants -- Payment.**

All expenditures for emergency purposes as provided in this chapter shall be paid by warrants from any available money in the fund properly chargeable with such expenditures. If, at any time, there is insufficient money on hand in a fund with which to pay such warrants as presented, the warrants shall be registered, bear interest, and be called in the same manner as other registered warrants as prescribed in RCW 35A.21.110.

[1985 c 175 § 48.]

**RCW 35A.34.170 Registered warrants -- Payment.**

In adopting the final budget for any fiscal biennium, the legislative body shall appropriate from estimated revenue sources available, a sufficient amount to pay the principal and interest on all outstanding registered warrants issued since the adoption of the last preceding budget except those issued and identified as revenue warrants and except those for which an appropriation previously has been made. However, no portion of the revenues which are restricted in use by law may be appropriated for the redemption of warrants issued against a utility or other special purpose fund of a self-supporting nature. In addition, all or any portion of the city's outstanding registered warrants may be funded into bonds in any manner authorized by law.

[1985 c 175 § 49.]

**RCW 35A.34.180 Adjustment of wages, hours and conditions of employment.**

Notwithstanding the appropriations for any salary or salary range of any employee or employees adopted in a final budget, the legislative body of any city may, by ordinance, change the wages, hours, and conditions of employment of any or all of its appointive employees if sufficient funds are available for appropriation to such purposes.

[1985 c 175 § 50.]

**RCW 35A.34.190 Forms -- Accounting -- Supervision by state.**

The state auditor is empowered to make and install the forms and classifications required by this chapter to define what expenditures are chargeable to each budget class and to establish the accounting and cost systems necessary to secure accurate budget information.

[1995 c 301 § 59; 1985 c 175 § 51.]

**RCW 35A.34.200 Funds -- Limitations on expenditures -- Transfers and adjustments.**

(1) The expenditures as classified and itemized in the final budget shall constitute the city's appropriations for the ensuing fiscal biennium. Unless otherwise ordered by a court of competent jurisdiction, and subject to further limitations imposed by ordinance of the city, the expenditure of city funds or the incurring of current liabilities on behalf of the city shall be limited to the following:

(a) The total amount appropriated for each fund in the budget for the current fiscal biennium, without regard to the individual items contained therein, except that this limitation does not apply to wage adjustments authorized by RCW 35A.34.180;

(b) The unexpended appropriation balances of a preceding budget which may be carried forward from prior fiscal periods pursuant to RCW 35A.34.270;

(c) Funds received from the sale of bonds or warrants which have been duly authorized according to law;

(d) Funds received in excess of estimated revenues during the current fiscal biennium, when authorized by an ordinance amending the original budget; and

(e) Expenditures authorized by budget modification as provided by RCW 35A.34.130 and those required for emergencies, as authorized by RCW 35A.34.140 and 35A.34.150.

(2) Transfers between individual appropriations within any one fund may be made during the current fiscal biennium by order of the city's chief administrative officer subject to such regulations, if any, as may

be imposed by the city legislative body. Notwithstanding the provisions of RCW 43.09.210 or of any statute to the contrary, transfers, as authorized in this section, may be made within the same fund regardless of the various offices, departments, or divisions of the city which may be affected.

(3) The city legislative body, upon a finding that it is to the best interests of the city to decrease, revoke, or recall all or any portion of the total appropriations provided for any one fund, may, by ordinance, approved by the vote of one more than the majority of all members thereof, stating the facts and findings for doing so, decrease, revoke, or recall all or any portion of an unexpended fund balance, and by said ordinance, or a subsequent ordinance adopted by a like majority, the moneys thus released may be reappropriated for another purpose or purposes, without limitation to department, division, or fund, unless the use of such moneys is otherwise restricted by law, charter, or ordinance. [1985 c 175 § 52.]

**RCW 35A.34.205 Administration, oversight, or supervision of utility -- Reimbursement from utility budget authorized.**

Whenever any code city apportions a percentage of the city manager's, administrator's, or supervisor's time, or the time of other management or general government staff, for administration, oversight, or supervision of a utility operated by the city, or to provide services to the utility, the utility budget may identify such services and budget for reimbursement of the city's current expense fund for the value of such services. [1991 c 152 § 4.]

**RCW 35A.34.210 Liabilities incurred in excess of budget.**

Liabilities incurred by any officer or employee of the city in excess of any budget appropriations shall not be a liability of the city. The clerk shall issue no warrant and the city legislative body or other authorized person shall approve no claim for an expenditure in excess of the total amount appropriated for any individual fund, except upon an order of a court of competent jurisdiction or for emergencies as provided in this chapter.

[1985 c 175 § 53.]

**RCW 35A.34.220 Funds received from sales of bonds and warrants -- Expenditures.**

Moneys received from the sale of bonds or warrants shall be used for no other purpose than that for which they were issued and no expenditure shall be made for that purpose until the bonds have been duly authorized. If any unexpended fund balance remains from the proceeds realized from the bonds or warrants after the accomplishment of the purpose for which they were issued, it shall be used for the redemption of such bond or warrant indebtedness. Where a budget contains an expenditure program to be financed from a bond issue to be authorized thereafter, no such expenditure shall be made or incurred until after the bonds have been duly authorized. [1985 c 175 § 54.]

**RCW 35A.34.230 Revenue estimates -- Amount to be raised by ad valorem taxes.**

At a time fixed by the city's ordinance or city charter, not later than the first Monday in October of the second year of each fiscal biennium, the chief administrative officer shall provide the city's legislative body with current information on estimates of revenues from all sources as adopted in the budget for the current biennium, together with estimates submitted by the clerk under RCW 35A.34.070. The city's legislative body and the city's administrative officer or the officer's designated representative shall consider the city's total anticipated financial requirements for the ensuing fiscal biennium, and the legislative body shall determine and fix by ordinance the amount to be raised the first year of the biennium by ad valorem taxes. The legislative body shall review such information as is provided by the chief administrative officer and shall adopt an ordinance establishing the amount to be raised by ad valorem taxes during the second year of the biennium. Upon adoption of the ordinance fixing the amount of ad valorem taxes to be levied, the clerk shall certify the same to the county legislative authority as required by RCW 84.52.020. [1985 c 175 § 55.]

**RCW 35A.34.240 Funds -- Quarterly report of status.**

At such intervals as may be required by city charter or city ordinance, however, being not less than quarterly, the clerk shall submit to the city's legislative body and chief administrative officer a report showing the expenditures and liabilities against each separate budget appropriation incurred during the

preceding reporting period and like information for the whole of the current fiscal biennium to the first day of the current reporting period together with the unexpended balance of each appropriation. The report shall also show the receipts from all sources. [1985 c 175 § 56.]

**RCW 35A.34.250 Contingency fund -- Creation.**

Every city may create and maintain a contingency fund to provide moneys with which to meet any municipal expense, the necessity or extent of which could not have been foreseen or reasonably evaluated at the time of adopting the annual budget, or from which to provide moneys for those emergencies described in RCW 35A.34.140 and 35A.34.150. Such fund may be supported by a budget appropriation from any tax or other revenue source not restricted in use by law, or also may be supported by a transfer from other unexpended or decreased funds made available by ordinance as set forth in RCW 35A.34.200. However, the total amount accumulated in such fund at any time shall not exceed the equivalent of thirty-seven and one-half cents per thousand dollars of assessed valuation of property within the city at such time. Any moneys in the emergency fund at the end of the fiscal biennium shall not lapse except upon reappropriation by the council to another fund in the adoption of a subsequent budget. [1985 c 175 § 57.]

**RCW 35A.34.260 Contingency fund -- Withdrawals.**

No money shall be withdrawn from the contingency fund except by transfer to the appropriate operating fund authorized by a resolution or ordinance of the legislative body of the city, adopted by a majority vote of the entire legislative body, clearly stating the facts constituting the reason for the withdrawal or the emergency as the case may be, specifying the fund to which the withdrawn money shall be transferred. [1985 c 175 § 58.]

**RCW 35A.34.270 Unexpended appropriations.**

All appropriations in any current operating fund shall lapse at the end of each fiscal biennium. However, this shall not prevent payments in the following biennium upon uncompleted programs or improvements in progress or on orders subsequently filled or claims subsequently billed for the purchase of material, equipment, and supplies or for personal or contractual services not completed or furnished by the end of the fiscal biennium, all of which have been properly budgeted and contracted for prior to the close of such fiscal biennium, but furnished or completed in due course thereafter.

All appropriations in a special fund authorized by ordinance or by state law to be used only for the purpose or purposes therein specified, including any cumulative reserve funds lawfully established in specific or general terms for any municipal purpose or purposes, or a contingency fund as authorized by RCW 35A.34.250, shall not lapse, but shall be carried forward from biennium to biennium until fully expended or the purpose has been accomplished or abandoned, without necessity of reappropriation.

The accounts for budgetary control for each fiscal biennium shall be kept open for twenty days after the close of such fiscal biennium for the purpose of paying and recording claims for indebtedness incurred during such fiscal biennium; any claim presented after the twentieth day following the close of the fiscal biennium shall be paid from appropriations lawfully provided for the ensuing period, including those made available by provisions of this section, and shall be recorded in the accounts for the ensuing fiscal biennium. [1985 c 175 § 59.]

**RCW 35A.34.280 Violations and penalties.**

Upon the conviction of any city official, department head, or other city employee of knowingly failing, or refusing, without just cause, to perform any duty imposed upon such officer or employee by this chapter, or city charter or city ordinance, in connection with the giving of notice, the preparing and filing of estimates of revenues or expenditures or other information required for preparing a budget report in the time and manner required, or of knowingly making expenditures in excess of budget appropriations, the official or employee shall be guilty of a misdemeanor and shall be fined not more than five hundred dollars for each separate violation. [1985 c 175 § 60.]

1247C  
02/15/91

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4229

AN ORDINANCE regarding the Convention Center Back Up Financing Plan; adding a business and occupation tax to the recommended financing mechanisms under the Plan; stating the intention of the City Council to provide the Convention Center first priority call on certain unused city business and occupation tax capacity; and directing the City Manager to issue an administrative order regarding staff reporting requirements on all agenda materials relating to matters involving use of city business and occupation tax authority.

WHEREAS, on December 4, 1989, the City Council adopted Ordinance No. 4094 approving a Convention Center Back Up Financing Plan, and stating the intent of the City Council to reserve a portion of the City's business and occupation tax capacity for convention center purposes; and

WHEREAS, the City Council Civic Center Committee has recommended to the full City Council that Ordinance No. 4094 be amended to provide:

A) That additional protection be provided to the City's General Fund by providing that the Convention Center has first priority on the City's unused business and occupation tax capacity under RCW 35.21.710 over and above that reservation of capacity provided for under Ordinance No. 4094; and

B) That the Back Up Financing Plan be supplemented with a provision designating as a recommended financing mechanism a business tax on businesses within a geographic area benefiting from the Convention Center Project; and

WHEREAS, the Council also desires that in connection with any future proposals that involve the use of City business and occupation tax authority measured by gross receipts, the staff will so report to the Council on such proposed use in the appropriate agenda materials; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The Convention Center Back Up Financing Plan, as adopted by Ordinance No. 4094 and given Clerk's receiving No. 14955, is hereby supplemented with the following financing mechanism:

Levy a business and occupation tax (other than a tax upon business activities consisting of the making of retail sales of tangible personal property measured by gross receipts or gross income from such

1247C  
02/15/91

sales) on business located within a geographical area which benefits from the Convention Center.

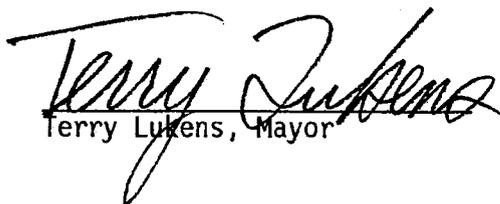
Section 2. Section 2 of Ordinance No. 4094 is hereby amended to read as follows:

The City Council hereby states its intent to reserve a rate of .0001 from the City's unlevied capacity under RCW 35.21.710 for business and occupation taxes upon business activities measured by gross receipts or gross income from sales of tangible personal property; and further states its intent that the Convention Center has first priority call on any additional, unlevied business and occupation tax capacity under RCW 35.21.710.

Section 3. The City Manager is hereby directed to issue an administrative order regarding any proposed use of the City's business and occupation tax capacity, and providing that whenever an item is included on the Council agenda which would include the use of any City business and occupation tax capacity, the agenda materials prepared by staff shall include a section indicating that such use is proposed and describing the nature and extent of such use. Further, the agenda materials shall address the financial status of the Meydenbauer Center.

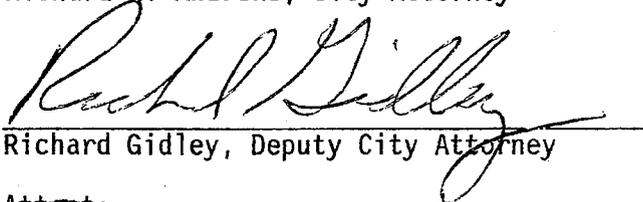
PASSED by the City Council this 4<sup>th</sup> day of March, 1991, and signed in authentication of its passage this 4<sup>th</sup> day of March, 1991.

(SEAL)

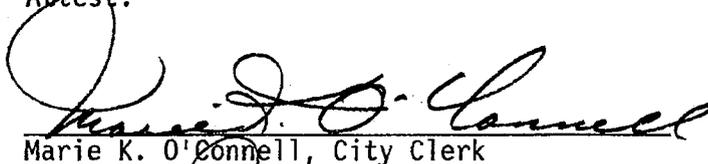
  
Terry Lukens, Mayor

Approved as to form:

Richard J. Andrews, City Attorney

  
Richard J. Andrews, City Attorney

Attest:

  
Marie K. O'Connell, City Clerk

Published March 8, 1991

0212C  
11/29/89

## CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 4094

AN ORDINANCE approving a Convention Center Backup Financing Plan and stating the intent of the City Council to reserve a portion of the City's Business & Occupation Tax capacity for Convention Center purposes.

WHEREAS, on March 20, 1989, the City Council adopted Resolution No. 5114 regarding the Bellevue Convention Center Project; and

WHEREAS, consistent with that resolution, staff has prepared additional information on the financing of the Project; and

WHEREAS, a Backup Financing Task Force was formed by the City Manager to prepare recommendations on establishing backup financing mechanism(s) to stand between the Convention Center debt and expense requirements and the City's General Fund; and

WHEREAS, the final recommendations of the Backup Financing Task Force, dated September 8, 1989, were reviewed and approved by the Convention Center Citizens Committee; and

WHEREAS, the Council Civic Center Committee approved forwarding those recommendations to the full City Council for incorporation into the Convention Center finance plan as an unprioritized array of sixteen fallback options to stand between the Convention Center project expenses and the City's General Fund; and

WHEREAS, the final Task Force report recommended that the City reserve .0001 of the City's Business and Occupation Tax capacity as a backup finance tool for the Bellevue Convention Center Project; and

WHEREAS, under RCW 35.21.710, the taxing authority granted the City for taxes upon business activities measured by gross receipts or gross income from sales cannot exceed a rate of .002, except upon an approval by majority vote of the qualified voters of the City; and

WHEREAS, the current Business and Occupation Tax in the City on activities measured by gross receipts or gross income from sales is .001496, leaving an unlevied capacity of .000504; and

WHEREAS, the City Council desires to reserve from its unlevied capacity a rate of .0001 for Convention Center purposes; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The Convention Center Backup Financial Plan, a copy of which has been given Clerk's Receiving No. 14956 is hereby adopted.

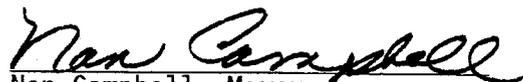
0212C  
11/29/89

Section 2. The City Council hereby states its intent to reserve a rate of .0001 from the City's unlevied capacity under RCW 35.21.710 for business and occupation taxes upon business activities measured by gross receipts or gross income from sales of tangible personal property.

Section 3. This ordinance shall take effect and be in force five days after its passage and legal publication.

PASSED by the City Council this 4<sup>th</sup> day of December, 1989, and signed in authentication of its passage this 4<sup>th</sup> day of December, 1989.

(SEAL)

  
Nan Campbell, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

  
Richard Gidley, Deputy City Attorney

Attest:

  
Marie K. O'Connell, City Clerk

Published December 9, 1989

## **City of Bellevue Investment Policy**

Revised: April 30, 2003

### **Purpose**

This policy sets forth criteria for the operation of the investment portfolio. It will be recognized that the primary objective of the Investment Policy is to establish a conservative set of investment criteria that will prudently protect Bellevue's (hereafter referred to as the City) principal sums and enable the City to generate a fair rate of return from its investment activities while assuring adequate liquidity to meet its cash flow needs. All investment activity will be in compliance with RCW 35A.40.050 "Fiscal - Investment of Funds" and any other statutes or regulatory requirements, such as Internal Revenue Codes, which may apply.

### **Scope**

This policy guides the investment of all available City funds except it does not include assets held in escrow in order to defease refunded debt, nor does it include retirement funds managed by others such as the state, the Municipal Employees Benefit Trust, and deferred compensation plan providers.

### **Responsibility**

Authority to manage the investment program is derived from Bellevue City Code Section 3.37.060. This section gives the Finance Director authority to determine the amount of money available in each fund administered by the City for investment purposes, and the authority to invest such moneys in all forms of investments that are authorized by law. This section also authorizes the Director to appoint a subordinate employee(s) to assist in the performance of these duties.

The Finance Director will provide a letter(s) of authorization to individuals or firms on the approved broker/dealer list specifically designating city staff who have the authority to commit the City to investment transactions.

The Finance Director or his designee will establish written investment procedures including a glossary of investment terms for the operation of the investment program, consistent with this investment policy.

### **Types of Investment and Diversification**

The City may invest in any of the securities identified as eligible investments as defined by RCW 35A.40.050 "Fiscal - Investment of Funds". For purposes of this policy, the major eligible investment categories have been further restricted as follows:

#### **1. United States Treasury Debt Obligations**

- Maximum % of Portfolio 100%
- Maximum Maturity 5.5 years
- Securities will be held by the City's third party safekeeping agent.

## 2. United States Agency Debt Obligations

- Maximum % of Portfolio 100%
- Maximum Maturity 2 years
- Maximum % of Portfolio Per Issuer 25%
- Defined by RCW 43.84.080 to include obligations of any United States government-sponsored corporation whose obligations are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System.
- Does not allow investment in variable rate securities (those where the interest rate changes based on an index or reference rate) or securities whose value depends on the value of an underlying asset (such as a pool of mortgages or small business loans). Variable rate securities held prior to the adoption of this policy may be held to maturity.
- Securities will be held by the City's third party safekeeping agent.

## 3. Repurchase Agreements secured by United States Government and United States Agency Debt Obligations

- Maximum % of Portfolio 50%
- Maximum Maturity 30 days
- Collateral Maximum % of Portfolio Per Issuer Agency amounts must stay within the 25% limit.
- A Master Repurchase Agreement must be executed with the broker/dealer prior to initiating a repurchase agreement investment with that broker/ dealer.
- Collateral equal to 102% of the repurchase agreement must be delivered to the City's third party safekeeping agent.
- Only US Treasury and US Agency securities may be accepted as collateral.
- Securities will be held by the City's third party safekeeping agent.

## 4. Certificates of Deposit, and other Interest Bearing Bank Deposits with instate financial institutions recognized by the State of Washington Public Deposit Protection Commission as qualified to hold public deposits.

- Maximum % of Portfolio 50%
- Maximum Maturity 1 year
- Maximum % of Portfolio Per Issuer 10%
- Certificates should be laddered to assure adequate cash flow.
- Certificates will be held at City Treasury vault.

### 5. Bankers Acceptances purchased on the secondary market

- Maximum % of the Portfolio 50%
- Maximum Maturity 6 months
- Maximum % of Portfolio Per Issuer 10%
- Securities will be held by the City's third party safekeeping agent.

### 6. Commercial Paper Issued by United States Corporations in compliance with the provisions adopted by the State Investment Board.

- Required Investment Rating A1, P-1
- Maximum % of Portfolio 15%
- Maximum Maturity 90 days
- Maximum Percent of Portfolio Per Issuer 5%
- Securities will be held by the City's third party safekeeping agent.

### 7. State of Washington Local Governmental Investment Pool

- Maximum % of Portfolio 100%
- A copy of the pool's investment policy must be obtained and reviewed.

### **Distribution of Portfolio Maturities and Liquidity**

The maturity structure will be maintained such that the weighted average maturity of the portfolio using the maximum maturity of each investment security does not exceed 24 months.

The investment portfolio will be managed to assure that adequate resources are available to meet cash flow requirements without forced liquidation of investments.

### **Prudence**

"Investments shall be made with the same judgement and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering probable safety of their principal as well as probable income to be derived."

The standard of prudence to be used by employees authorized to commit the City to investment transactions shall be the "prudent person" standard. Employees meeting the prudent person standard shall be relieved of personal responsibility for an individual security's subsequent performance, provided appropriate action is taken to control adverse developments.

## **Performance**

The portfolio is expected to earn a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the rates of the current ninety-day Treasury Bill and the 2-year Treasury Note as of the last working day of each month. It is expected that performance will generally be within or above the band.

## **Ethics and Conflicts of Interest**

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. These employees shall disclose to the City Manager and Finance Director any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to performance of the City's portfolio, particularly with regard to the time of purchases and sales. Employees shall subordinate their personal investment transactions to those of the City.

## **Authorized Financial Dealers and Institutions**

The Finance Director will approve financial institutions to be eligible to conduct investment business with the City. A current list of approved brokerage firms will be maintained by the Finance Director or his designee. This list may include primary dealers (government securities reporting to the Market Reports Division of the Federal Reserve Bank of New York), regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capitalization), and national banks.

To become authorized to provide investment services to the City, each institution must provide an annual letter to the City from the individual providing the service certifying that he or she has read the City's investment policy and assures that all transactions with the City will fall within the policy boundaries. This letter shall also certify that the firm and broker assigned to this account have the required credentials and licenses with the NASD, SEC or appropriate agencies and that they must immediately notify the City if at any time the firm or broker is not in compliance with SEC rule 15C3-1, the firm's capital position falls short of the Capital Adequacy or uniform Net Cap Rule standard, or a material control weakness is identified by the firm's independent auditor. In addition, each institution must also provide the City with a copy of their annual audited financial report or Consolidated Report of Condition (call report).

In the case of certificates of deposit, those financial institutions recognized by the PDPC (Public Deposit Protection Commission) are qualified to hold public deposits

## **Broker Allocation**

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc., the Finance Director or the Accounting, Tax and Treasury Manager has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Treasury security transactions will be accomplished at or within the bid or asked price spread indicated on the live DTN screens or similar reliable real time investment information service. Issues not actively traded on such services will be subject to the three bid requirement. Bankers Acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

### **Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery versus payment (DVP) basis. Securities will be held by a third party custodian designated by the Finance Director or his designee and evidenced by an Advice of Security Movement.

### **Investment Committee**

An Investment Committee will be established by the City Manager, and will include at least three members from the business community knowledgeable in the area of institutional investment management. This Committee will periodically meet to review the investment program and make recommendations to the Finance Director with regard to proposed changes to the investment policy.

### **Internal Control**

Investment procedures will be defined, documented, and implemented by the Finance Director or his designee to assure adequate internal control of the investment process.

The Finance Director or his designee will establish a process of periodic independent review by an external auditor or competent staff not assigned to the investment function.

The Washington State Auditor's Office will customarily conduct independent annual reviews of the investment function.

### **Reporting**

Investment reports will be prepared and provided on a monthly basis to meet the needs of the users including sufficient detail to provide an accurate and meaningful representation of the portfolio, showing its performance in relation to established benchmarks and its compliance with the investment policy.

### **Policy Adoption**

The Investment Policy is adopted by the City Council as part of the biennial budget. The Finance Director has authority to approve changes to this Investment Policy.

## Debt Policy

September 4, 2003

### Background

The City of Bellevue (City) maintains conservative financial policies to assure strong financial health both in the short- and long-term. The City is an infrequent issuer of debt with debt primarily used as a tool to finance large capital investments such as property acquisitions.

Maintaining the City's bond rating is an important objective of the City's financial policies. To this end, the City is constantly working to improve its financial policies, budgets, forecasts, and financial health.

### Purpose

This policy sets forth the criteria for issuance and repayment of debt. The primary objective of the Debt Policy is to establish criteria that will protect the City's financial integrity while providing a funding mechanism to meet the City's capital needs. All debt issued will be in compliance with this policy, Bellevue City Code (BCC) Chapter 2.30 - Registration Procedure for Bonds and Obligations, Chapter 35A.40 Revised Code of Washington (RCW) - Fiscal Provisions Applicable to Code Cities and Chapter 43.80 RCW - Fiscal Agencies along with all other City, State, and Federal laws, rules, and regulations.

### Scope

This Policy provides general guidance for the issuance and management of all City debt. In addition, it includes the management of all debt absorbed by the City through utility assumptions or the like. It does not include the debt issued by the Bellevue Convention Center Authority.

### Responsibility

Authority to issue and manage debt is derived from BCC 2.37.030. This section gives the Finance Director authority to act in the capacity of City Treasurer, which includes the duties of debt management.

This section also authorizes the Finance Director to appoint a subordinate employee from the Department to assist in the performance of the duties of City Treasurer. The Finance Director has appointed the Accounting and Treasury Manager to act as the Debt Manager to assist in the duties of debt issuance, interest payments, principal repayments and other debt-related activities.

The Finance Director is responsible for assuring that the activities related to the issuance and payment of bonds or other obligations not jeopardize the bond rating.

## Budgeting and Capital Planning

The City shall develop and maintain a capital planning process such as the biennial Capital Investment Program Plan for consideration and adoption by the City Council as part of the City's budget process. The Finance Department is responsible for coordinating and analyzing the debt requirements. This will include timing of debt, calculation of outstanding debt, debt limitation calculations and compliance, impact on future debt burdens, and current revenue requirements.

Prior to issuance of debt, the City will prepare revenue projections, such as the biennial budget or the Financial Forecast, to ensure that there is adequate revenue to make principal and interest payments.

## Types of Long-Term Debt

The following is a description of the types of long-term debt the City may issue:

### 1. General Obligation

This debt is backed by the full faith and credit of the City. The State RCW limits this debt to 2.5% of the assessed valuation of the City for each of three purposes:

#### A. General Purposes

Debt issued in this category can be used for any purpose allowed by law.

##### *Non-Voted*

The City Council may authorize the issuance of general obligation debt up to 1.5% of the City's assessed value without a vote of the public as long as there is an available source of funding to pay the debt service. This funding source can be the diversion of an existing revenue source or a new revenue coming from the enactment of a new tax or other revenue source. The debt can take the form of bonds, lease-purchase agreements, conditional sales contracts, certificates of participation, or other forms of installment debt.

##### *Voted*

The City Council may place any general obligation debt issue before the electorate. According to State law, if a debt issue is placed before the City's electorate, it must receive a 60% or greater yes vote and have a turnout of at least 40% of those voting at the previous general election. Voted issues are limited to capital purposes only.

#### B. Open Space and Parks

Debt issued in this category must be used for park and open space and/or recreation facilities. All debt in this category must be approved by the voters.

#### C. Utilities

Debt issued in this category must be used for utility infrastructure. All debt in this category must be approved by the voters.

### 2. Revenue Debt

Revenue bonds are generally payable from a designated source of revenue generated by the project which was financed. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

### 3. Local Improvement District (LID) Debt

LID bonds are payable solely from assessments of property owners within the local improvement district. Similar to revenue debt, no taxing power or general fund pledge is provided as security, and LID bonds are not subject to statutory debt limitations.

The debt is backed by the value of the property within the district and a LID Guaranty Fund. The LID Guaranty Fund is required by State law.

#### Short-Term Debt and Interim Financing

The City may utilize short-term borrowing in anticipation of long-term bond issuance or to fund cash flow needs in anticipation of tax or other revenue sources. Short-term borrowing excludes the City's warrant redemption process.

In accordance with BCC 3.37.070, the Finance Director is authorized to make loans from one City fund to another City fund for periods not exceeding three months. The Finance Director or designee is required to assure that the loaning fund will have adequate cash balances to continue to meet current expenses after the loan is made and until repayment from the receiving fund.

#### Limitation of Indebtedness

In addition to the limitations required by the RCW, the City's indebtedness is further limited by this policy to assure strong financial health. The limitations are applied to the assessed value of the City to arrive at a dollar value of indebtedness. For example, the 2002 assessed valuation used to determine the 2003 property tax levy was \$20.7 billion, and the statutory limitation for general obligation debt is 2.5%. Therefore, the City's statutory debt limitation is \$517.4 million. The following matrix shows the general limitation by type of debt. These limitations may be modified by the City Council up to the statutory limitation at the Council's discretion.

Type of Debt	Statutory Limitations	Policy Limitations	2003 Bellevue Actual
General Obligation:	2.5%	1.75%	0.26%
Non-Voted	1.5%	1.0%	0.25%
Voted	1.0%	0.75%	0.01%
Open Space and Parks	2.5%	1.75%	0.04%
Utilities	2.5%	1.75%	0.00%
Revenue	no limit	no limit *	NA
Local Improvement District	no limit	no-limit *	NA

\* Revenue and LID debt is not limited because no taxing power or general fund pledge is provided as security.

## Structure and Term of Debt

### 1. Debt Repayment

The City shall pay all interest and repay all debt in accordance with the terms of the bond ordinance. The maturity of bonds issued should be the same or less than the expected life of the project for which the bonds were issued. To the extent possible, the City will seek level or declining debt repayment schedules.

### 2. Variable-Rate Securities

When appropriate, the City may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. However, the City will avoid over use of variable-rate debt due to the potential volatility of such instruments.

## Professional Services

The City's Finance Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.

### 1. Bond Counsel

All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.

### 2. Financial Advisor

A Financial Advisor(s) will be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring market opportunities, structuring and pricing debt, and preparing official statements of disclosure.

### 3. Underwriters

An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.

### 4. Fiscal Agent

A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with Chapter 43.80 RCW, the City will use the Fiscal Agent that is appointed by the State.

## Method of Sale

The City will generally issue its debt through a competitive process but may use a negotiated process under the following conditions.

- The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
- At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.

- The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
- The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

### Credit Ratings

The City will maintain good communication with bond rating agencies about its financial condition. This effort will include providing periodic updates on the City's general financial condition, coordinating meetings, and presentations in conjunction with a new issuance. The City will continually strive to maintain its bond rating by improving financial policies, budgets, forecasts and the financial health of the City.

Credit enhancements may be used to improve or establish a credit rating on a City debt obligation. Credit enhancements should only be used if cost effective.

### Refunding Debt

A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will require a present value savings of three percent of the principal amount of the refunding debt being issued.

### Arbitrage Rebate Monitoring and Reporting

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will pay the amount of the arbitrage to the Federal Government as required by Internal Revenue Service Regulation 1.148-11. The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the IRS regulation. For each bond issue not used within the established time frame, the recordkeeping shall include tracking investment earnings on bond proceeds, calculating rebate payments, and remitting any rebatable earnings to the federal government in a timely manner in order to preserve the tax-exempt status of the outstanding debt.

### Covenant Compliance

The City will comply with all covenants stated in the bond ordinance, contract, etc.

### Ongoing Disclosure

The Debt Manager shall be responsible for providing annual disclosure information to established national information repositories and for maintaining compliance with disclosure statements as required by state and national regulatory bodies. Securities & Exchange Commission disclosure shall occur by the date designated in the bond ordinance, which is currently July 31 of each year. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not reasonably contained within the CAFR.

**ORIGINAL**

A.

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5523

AN ORDINANCE establishing a scope and budget for the New City Building project; authorizing the City Manager to execute an Amendment to Part I and also to execute Part II of the Agreement between the City and Lease Crutcher Lewis, the General Contractor/Construction Manager (GC/CM) for the project, establishing the Guaranteed Contract Cost and authorizing performance of the remaining work on and completion of the New City Building project; adopting the New City Building Comprehensive Finance Plan; amending the 2003-2009 Capital Investment Program Plan (CIP) adopted by Ordinance No. 5426 to change the name of the New City Building project from Public Safety Center (CIP-PSC-1) to New City Building (CIP-NCB-1); amending the 2003-2009 Capital Investment Program Plan to increase the appropriation to CIP-NCB-1 by \$89,330,000.00; authorizing and directing the City Manager or his designee to proceed with the sale of bonds to pay the outstanding BAN and the costs of the improvements to the New City Building; authorizing the City Manager thereafter to transfer the net bond proceeds from the Bond Fund to be created upon the sale of such bonds to CIP-NCB-1; and authorizing the City Manager or his designee to issue the Notice to Proceed with construction of the improvements to and completion of the New City Building.

WHEREAS, the City Council desires to establish a scope and budget for the construction and completion of the New City Building; and

WHEREAS, the City has previously entered into an Agreement with Lease Crutcher Lewis to act as the General Contractor/Construction Manager (GC/CM) for "Preconstruction Services," including a portion of the construction planning, design review, cost estimating, scheduling, constructability review, negotiating the Maximum Allowable Contract Cost (MACC) and other activities to be performed by the GC/CM (Part I of the Agreement); and

WHEREAS, the City Council desires to amend Part I of the Agreement, and to enter into Part II of the Agreement with Lease Crutcher Lewis establishing the Guaranteed Contract Cost (including the MACC) and authorizing performance of the remaining work on and completion of the New City Building; and

WHEREAS, the City Council has conducted a series of public meetings during April and May 2004 to review, discuss and reach conclusions about the project scope and budget so that it could develop a New City Building Comprehensive Finance Plan; and

WHEREAS, the City Council desires to adopt the New City Building Comprehensive Finance Plan; and

WHEREAS, by Ordinance No. 5426 the City Council adopted the 2003 -2009 Capital Investment Program Plan (CIP), which includes a project for the development of a public facility for public safety and other civic uses (Project CIP-PSC-1); and

WHEREAS, the City Council and the public now refer to this project as the New City Building, and the City Council desires to rename the Project in the CIP as the New City Building (CIP-NCB-1); and

WHEREAS, the City Council previously issued its Limited Tax General Obligation Bond Anticipation Note, 2002 (Note) to evidence a taxable line of credit with Bank of America, N.A., which the City has drawn upon to finance the acquisition of a site in downtown Bellevue, including existing improvements thereon, for the New City Building; and

WHEREAS, the City Council has determined that it is in the public interest to issue Limited Tax General Obligation bonds in the par amount of approximately \$102,710,000.00 (Bonds) to finance certain renovation and improvement costs of the New City Building, to provide funds required to prepay the outstanding Note, and to reimburse the City for certain costs paid by it to plan for the renovation of the New City Building; and

WHEREAS, the City Council has determined that good public fiscal accounting is furthered by the net bond proceeds (Bond Proceeds) remaining in the New City Building Project Fund (Bond Fund) to be created by the ordinance approving the sale of such bonds, until such time or times as the City Manager or his designee transfers any or all of said proceeds to CIP-NCB-1; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council hereby establishes the scope and budget for the New City Building project as set forth in that certain document entitled "New City Building – Scope and Budget," a copy of which has been given Clerk's Receiving No. 35998.

Section 2. The City Manager or designee is authorized to execute an Amendment to Part I of the Agreement, and to execute Part II of the Agreement between the City and Lease Crutcher Lewis, the GC/CM, establishing the

ORIGINAL

Guaranteed Contract Cost, including the Maximum Allowable Construction Cost, and authorizing performance of the remaining work on and completion of the New City Building, as more fully set forth in said Amendment to Agreement and Agreement, copies of which have been given Clerk's Receiving Nos. 35999 and 36000, respectively.

Section 3. The New City Building Comprehensive Finance Plan is hereby adopted establishing the guiding principles governing the entire New City Building project including the financial elements of the New City Building project, as more fully set forth in said Plan, a copy of which has been given Clerk's Receiving No. 36001.

Section 4. The 2003-2009 Capital Investment Program Plan adopted by Ordinance No. 5426, as amended, is amended to change the New City Building project name from Public Safety Center (CIP-PSC-1) to New City Building (CIP-NCB-1).

Section 5. The 2003-2009 Capital Investment Program Plan adopted by Ordinance No. 5426, as amended, is further amended to appropriate to project CIP-NCB-1 an additional \$89,330,000.00, for a total appropriation to that project within that Fund of \$127,853,000.00.

Section 6. The City Manager or his designee is authorized and directed to proceed to sell Limited Tax General Obligation Bonds of the City in the approximate par amount of \$102,710,000.00, the proceeds of which, after deducting the costs of the bond sale, shall be used for the purposes set forth in the scope and budget for the New City Building project hereinabove adopted by the City Council.

Section 7. The City Manager or his designee is authorized to transfer to project CIP-NCB-1 any or all of the Bond Proceeds from the Bond Fund to be established pursuant to the bond sale ordinance.

Section 8. The City Manager or his designee is authorized to issue to the GC/CM the Notice to Proceed with the construction and completion of the improvements to the New City Building, as provided for in the Agreement with the GC/CM.

Section 9. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 1st day of June,  
2004, and signed in authentication of its passage this 1st day of \_\_\_\_\_  
June, 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Lori M. Riordan  
Lori M. Riordan, Deputy City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published June 4, 2004

B.

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5573

AN ORDINANCE establishing revised charges for water service, water consumption, and water service for fire protection; repealing Ordinance No. 5421; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Water Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal; and

WHEREAS, it is in the public interest to provide for the following schedule of revised charges for water service, water consumption and water service for fire protection for the Water Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There are hereby established and shall be collected from each user of water service provided by the Water Utility of the City of Bellevue, charges for: water service, water consumption, and water service for fire protection as hereinafter provided.

Section 2. The meter service charges per bimonthly billing period for each user of water service shall be as follows:

<u>A. Domestic Meter Size</u>	<u>Bimonthly Service Charge Per Meter in Operation</u>	
	<u>2005</u>	<u>2006</u>
5/8" or 3/4"	\$21.81	\$21.81
1"	\$38.60	\$38.60
1 1/2"	\$65.29	\$65.29
2"	\$100.36	\$100.36
3"	\$219.30	\$219.30
4"	\$323.01	\$323.01
6"	\$604.61	\$604.61
8"	\$940.58	\$940.58
10"	\$1,321.06	\$1,321.06

B. Residential Combo Meters - Oversized domestic meters required in designated residential structures to provide fire sprinkler capability.

<u>Combo Meter Size</u>	<u>Bimonthly Service Charge Per Meter in Operation</u>	
	<u>2005</u>	<u>2006</u>
1/2"	\$25.74	\$25.74
2"	\$36.05	\$36.05

C. Irrigation meters - City-owned meters that are used for measuring water used strictly for outside irrigation.

<u>Irrigation Meter Size</u>	<u>Bimonthly Service Charge Per Meter in Operation</u>	
	<u>2005</u>	<u>2006</u>
5/8" or 3/4"	\$19.00	\$19.00
1"	\$31.59	\$31.59
1 1/2"	\$51.27	\$51.27
2"	\$77.91	\$77.91
3"	\$174.37	\$174.37
4"	\$252.83	\$252.83
6"	\$464.29	\$464.29
8"	\$716.05	\$716.05
10"	\$998.28	\$998.28

Section 3. The water consumption charges per bimonthly billing period for each user of water service shall be as follows:

A. Single Family Residential

	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
<u>Cubic Feet Consumed</u>		
0 to 2,000	\$2.17	\$2.17
2,001 to 3,000	\$3.00	\$3.00
3,001 to 10,000	\$3.86	\$3.86
Over 10,000	\$5.73	\$5.73

B. Multifamily Residential Structure or Facility

	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
<u>Cubic Feet Consumed</u>		
0 to 1,100	\$2.61	\$2.61
1,101 to 1,500	\$2.92	\$2.92
Over 1,500	\$3.45	\$3.45

1. For purposes of these charges, a "multifamily residential structure or facility" shall mean any residential structure or facility containing two or more dwelling units, including, but not limited to, duplexes, triplexes, apartment buildings, condominiums, and parcels containing two or more separate dwelling units served through a single meter, but shall not include hotels, motels or trailer parks.

C. Non-Residential

1. Where both irrigation and non-irrigation consumption is measured through the same meter, the water consumption charges shall be as follows:

<u>Charged Per Hundred Cubic Feet Consumed</u>	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
All non-summer consumption	\$2.22	\$2.22
All summer consumption Where summer consumption is defined in Subsection 3 below.	\$3.11	\$3.11

2. Where all irrigation consumption is measured through an irrigation meter, the water consumption charges for domestic water shall be as follows:

<u>Charged Per Hundred Cubic Feet Consumed</u>	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
All non-summer consumption	\$2.22	\$2.22
All summer consumption (Summer consumption is defined in Subsection 3 below.)	\$2.80	\$2.80

3. For purposes of these charges, summer consumption shall mean that volume recorded on two normal bimonthly meter readings during the months of July through October or readings during this period for other billing purposes, such as, but not limited to, customer changes.

D. Irrigation water consumption, for volumes measured by irrigation meters or other meter arrangements that can be used for measuring water used strictly for outside irrigation.

<u>Cubic Feet Consumed</u>	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
All irrigation consumption	\$4.49	\$4.49

Section 4. The fire service charges per bimonthly billing period shall be as follows:

A. Fire Standby Meters

<u>Meter Size</u>	<u>Bimonthly Service Charge Per Meter in Operation</u>	
	<u>2005</u>	<u>2006</u>
5/8" or 3/4"	\$11.93	\$11.93
1"	\$13.88	\$13.88
1 1/2"	\$15.85	\$15.85
2"	\$21.27	\$21.27
3"	\$61.07	\$61.07
4"	\$75.82	\$75.82
6"	\$110.24	\$110.24
8"	\$149.55	\$149.55
10"	\$183.97	\$183.97

B. Discontinued or Unconnected Fire Service. This fire protection charge shall be applied for structures or facilities that benefit from the City of Bellevue water system for fire protection service that are not otherwise being charged for water service pursuant to Section 2, Section 3 or Section 4A above.

<u>Meter Size or Equivalent</u>	<u>Bimonthly Service Charge Per Meter in Operation</u>	
	<u>2005</u>	<u>2006</u>
5/8" or 3/4"	\$9.81	\$9.81
1"	\$14.01	\$14.01
1 1/2"	\$21.04	\$21.04
2"	\$29.46	\$29.46
3"	\$51.93	\$51.93
4"	\$77.22	\$77.22
6"	\$147.42	\$147.42
8"	\$231.65	\$231.65
10"	\$329.94	\$329.94

Section 5. User Charges – Outside. The charges for each water service user outside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of the domestic meter service charge in Section 2 plus the appropriate water consumption charge or charges in Section 3 plus the fire service charges in Section 4.

Section 6. User Charges – Inside. The charges for each user inside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of the meter service charge in Section 2 plus the appropriate water service

charge or charges in Section 3 plus the fire service charges in Section 4, all multiplied by the percentage indicated below for that city or town:

<u>City or Town</u>	<u>Percentage</u>
Bellevue	105.5573%
Clyde Hill	111.7687%
Hunts Point	107.3470%
Medina	100.0000%
Yarrow Point	105.5573%

provided that the percentages set forth above may be administratively adjusted by the Utility Department Director to reflect any increase or decrease in any franchise fee required to be paid to such city or town by the Utility.

Section 7. Severability. If any section of this ordinance or any portion of any section of this ordinance, or its application to any person or circumstances is held invalid, the remainder of the ordinance or the application of the provision to other persons and circumstances, shall not be affected.

Section 8. Repeal. Ordinance No. 5421 is repealed effective January 1, 2005 provided, however, that any charges made for water service under Ordinance No. 5421 are not invalidated by the repeal of that ordinance.

Section 9. Effective Date. Sections 1-8 of this ordinance shall take effect on January 1, 2005, shall apply to service provided on and after that date and shall supercede all existing schedules of charges as of that date. The specific water service charges for 2005 shall take effect on January 1, 2005 and shall remain in effect through and including December 31, 2005. The specific water charges for 2006, as hereinbefore indicated, shall take effect on January 1, 2006 and shall remain in effect until amended by the City Council.

Passed by the City Council this 6th day of December,  
2004, and signed in authentication of its passage this 6th day of December  
        , 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, Acting City Attorney

Patrice C. Cole  
Patrice C. Cole, Assistant City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published December 19, 2004

# ORIGINAL

C.

## CITY OF BELLEVUE, WASHINGTON

### ORDINANCE NO. 5574

AN ORDINANCE establishing revised sewerage service charges; repealing Ordinance No. 5422; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Sewer Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal; and

WHEREAS, it is in the public interest to establish the following amended schedule of rates and charges for the sewerage service area for the Sewer Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There are hereby established and shall be collected from each user in the sewerage service area for the Sewer Utility of the City of Bellevue sewerage service charges as hereinafter provided.

Section 2. Single Family Residential Structures.

A. The service charge for single-family residential units shall be \$51.20 per bimonthly billing period in 2005 and \$51.20 per bimonthly billing period in 2006, plus a volume charge based on the bimonthly winter-average water consumption for the structure, as follows:

<u>Winter-Average Cubic Feet Consumed</u>	<u>Charge Per Hundred Cubic Feet of Water</u>	
	<u>2005</u>	<u>2006</u>
0 to 5,000	\$1.77	\$1.85
Over 5,000	\$2.58	\$2.62

B. For purposes of these charges, winter-average consumption is the average bimonthly water volume recorded on three normal meter readings during the period of December 15 through June 15 of the preceding year. Winter-average consumption for each residence will be recomputed before the start of each year and that volume will be used to compute the bimonthly sewer volume charge for the residence for the entire calendar year.

C. For those residences that are not Bellevue water customers, actual meter reading data necessary to compute the residence's winter-average water consumption will be obtained from the customer's water district, whenever possible.

Where that data is unavailable and for new structures where water consumption data necessary to compute actual winter-average consumption has not been recorded, bimonthly sewer volume charges for the residence will be based on Bellevue's system-wide winter-average residential consumption of 1,500 cubic feet for a two-month period.

D. The Utilities Department Director shall have authority under this ordinance to adopt procedures necessary for the efficient and equitable administration of the residential volume-based sewer rate structure.

**Section 3. Multifamily Residential Structures or Facilities.**

The service charge for each multifamily residential structure or facility shall be \$49.54 for 2005, and \$50.33 for 2006 per bimonthly billing period for each dwelling unit, plus \$4.50 for 2005, and \$4.57 for 2006 per 100 cubic feet of water consumed by such structure or facility in excess of 1,100 cubic feet per dwelling unit during each bimonthly billing period.

For the purposes of this Section 3, "multifamily residential structure or facility" shall mean any residential structure or facility containing two or more dwelling units, including but not limited to duplexes, triplexes, apartment buildings, condominiums, and parcels containing two or more separate dwelling units, but shall not include hotels, motels or trailer parks.

**Section 4. Non-residential Structures or Facilities.**

A. The service charge for non-residential structures or facilities shall be based on water consumption by each structure or facility and shall be computed as follows:

\$5.00 for 2005, and \$5.08 for 2006 per 100 cubic feet of water consumption per bimonthly billing period.

Provided, there shall be a minimum charge of \$77.70 for 2005, and \$78.94 for 2006 per bimonthly billing period.

For purposes of this Section 4, "non-residential structure or facilities" shall mean any structure or facility not governed by Section 2 or Section 3 of this ordinance and shall include, but not be limited to, any commercial, industrial, business, trade, school or municipal structure or facility.

**Section 5. King County/METRO Charges.** In addition to these rates and charges for sewerage service established in this ordinance, or otherwise established by the City, the following King County/METRO charges are imposed to ensure compliance with Section 204 of Public Law 92-500 (22 U.S.C. 1251) CFR Part 35, Subpart E:

A. A "surcharge" in an amount to be determined as provided in King County/METRO Resolution Nos. 2315 and 2557 (now incorporated into Title 28 of the King County Code, Chapter 28.84.060), as now constituted or hereafter amended, said charge to be added to the customer's regular bill.

B. An "Industrial Cost Recovery (ICR)" charge in an amount to be determined as provided in King County/METRO Resolution Nos. 2556 and 3374 (now incorporated into Title 28 of the King County Code, Chapter 28.84.060), as now constituted or hereafter amended, said charge to be billed separately to qualifying industrial customers on an annual basis.

C. An administrative charge of \$15.50 shall be added to each customer bill that contains a King County/METRO "surcharge" or "ICR charge."

D. The City of Bellevue, in cooperation with King County/METRO, shall maintain such records as are necessary to document that its sewerage charges comply with the above-cited federal laws and regulations and King County/METRO regulations.

Section 6. User Charges - Outside. The charges for each user outside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of any applicable charges under Sections 2, 3, 4 and 5 of this ordinance.

Section 7. User Charges - Inside. The charges for each user inside the city or town limits of Bellevue, Clyde Hill, Hunts Point, Medina and Yarrow Point shall be the sum of any applicable charges under Sections 2, 3, 4 and 5 multiplied by the percentage indicated below for that city or town:

Bellevue	105.4856%
Clyde Hill	111.6079%
Hunts Point	107.2506%
Medina	100.0000%
Yarrow Point	105.4856%

provided that the percentages set forth above may be administratively adjusted by the Utility Department Director to reflect any increase or decrease in any franchise fee required to be paid to such city or town by the Utility.

Section 8. Severability. If any section of this ordinance, or any portion of any section of this ordinance, or its application to any person or circumstance, is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances, shall not be affected.

Section 9. Repeal. Ordinance No. 5422 is repealed as of January 1, 2005; provided, however, that any charges made for sewerage service under Ordinance No. 5422 are not invalidated by the repeal of that ordinance.

Section 10. Effective Date. Sections 1-9 of this ordinance shall take effect on January 1, 2005, shall apply to service provided on and after that date and shall supercede all existing schedules of charges as of that date. The specific sewerage service charges for 2005, as hereinbefore indicated, shall take effect on January 1, 2005 and shall remain in effect through and including December 31, 2005. The specific sewage service charges for 2006, as hereinbefore indicated, shall take effect on January 1, 2006, and shall remain in effect until amended by the City Council.

Section 11. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 6th day of December, 2004, and signed in authentication of its passage this 6th day of December 6th, 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, Acting City Attorney

Patrice C. Cole  
Patrice C. Cole, Assistant City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published December 10, 2004

ORIGINAL

D.

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5575

AN ORDINANCE establishing revised storm and surface water drainage rates and charges for the Storm & Surface Water Utility of the City of Bellevue; repealing Ordinance No. 5423; and establishing an effective date.

WHEREAS, the Environmental Services Commission has reviewed the Storm and Surface Water Utility budget and rate proposal, held a public hearing thereon and recommended approval of the proposal, and

WHEREAS, it is in the public interest to establish the following amended schedule of rates and charges for the Storm and Surface Water Utility of the City of Bellevue; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. Charges Established. There is hereby levied upon all real property within the City of Bellevue which contributes drainage water to or which benefits from the function of the Storm and Surface Water Utility of the City of Bellevue, and there shall be collected from the owners thereof, bimonthly service charges based on the square footage of the properties and on the appropriate intensity of development classification (s) of such properties, such that for each 2,000 square feet of area or increments thereof, the property shall be charged a bimonthly amount for 2005, and 2006 as follows:

<u>Year</u>	<u>Wetland</u>	<u>Undeveloped</u>	<u>Light Development</u>	<u>Moderate Development</u>	<u>Heavy Development</u>	<u>Very Heavy Development</u>
2005	\$0.00	\$0.46	\$3.33	\$4.16	\$6.25	\$8.32
2006	\$0.00	\$0.49	\$3.57	\$4.46	\$6.69	\$8.91

and each account shall be charged an additional bimonthly customer charge in the amount of \$2.77 per billing in 2005 and \$2.97 per billing in 2006.

Section 2. User Charges. The charges for each user inside the city limits of Bellevue shall be the sum of the charges in Section 1, all multiplied by 105.3476%.

Section 3. Severability. If any section of this ordinance, or any portion of any section of this ordinance, or its application to any person or circumstance, is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances, shall not be affected.

Section 4. Repeal. Ordinance No. 5423 is repealed as of January 1, 2005; provided, however, that any changes made under Ordinance No. 5423 are not invalidated by the repeal of that ordinance.

Section 5. Effective Date. The revised bimonthly service charges and bimonthly customer charges established in Section 1 of this ordinance and the user charges established in Section 2 of this ordinance shall take effect on January 1, 2005, shall apply to service provided on and after that date, and shall supercede all existing schedules of charges as of that date. The specific charges for 2005, as hereinbefore indicated, shall take effect on January 1, 2005 and shall remain in effect through and including December 31, 2005. The specific charges for 2006, as hereinbefore indicated, shall take effect on January 1, 2006 and remain in effect until amended by the City Council.

Section 6. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 6th day of December, 2004, and signed in authentication of its passage this 6th day of December, 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, Acting City Attorney

Patrice C. Cole

Patrice C. Cole, Assistant City Attorney

Attest:

Myrna L. Basich

Myrna L. Basich, City Clerk

Published December 10, 2004

ORIGINAL

CITY OF BELLEVUE, WASHINGTON

E.

ORDINANCE NO. 5576

AN ORDINANCE adopting the Human Services Commission's 2005-2006 Human Services funding recommendations and authorizing the City Manager to enter into contracts with local human services agencies in accordance with the recommendations.

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. The City Council adopts the 2005-2006 Human Services funding recommendations as developed by the City of Bellevue Human Services Commission, to act as guidelines for the allocation of 2005 and 2006 General Fund money, as such funding becomes available.

Section 2. The City Manager or his designee is hereby authorized to enter into contracts with local human services agencies to carry out the services described in the recommendations in the amount of funding specified for each agency.

Section 3. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 6th day of December, 2004, and signed in authentication of its passage this 6th day of December, 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, Acting City Attorney

Jerome Y. Roaché  
Jerome Y. Roaché, Assistant City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published December 18, 2004

F.

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5579

AN ORDINANCE establishing the amount of property taxes to be levied for the year 2005, the first year of the City of Bellevue's 2005-2006 fiscal biennium.

WHEREAS, RCW 35A.34.230 requires the City Council to consider the City's total anticipated financial requirements for the ensuing fiscal year and to determine and establish by ordinance the amount to be raised by ad valorem property taxes for 2005; and to certify the same to the Clerk of the King County Council on or before December 7, 2004; and

WHEREAS, the assessed valuation of all taxable property within the City as determined by the King County Assessor is \$22,213,663,467; and

WHEREAS, the City Council by its action has preserved regular and ad valorem property tax capacity equal to the difference between the property tax levy adopted by this action and the maximum allowable property tax levy; and

WHEREAS, the City Council has determined not to levy any part of the additional 1% tax increase allowable by law for 2004, thereby preserving total banked capacity of \$8,728,321 and

WHEREAS, the City Council has authorized no increase over the 2004 property tax levy other than that resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property, and allowed adjustments for annexations and refunds; now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES ORDAIN AS FOLLOWS:

Section 1. There is hereby levied, and established to be raised by regular ad valorem property taxes for 2005 the amount of \$25,813,613. This 2005 property tax levy represents no increase over the 2004 property tax levy other than that resulting from the addition of new construction and improvements to property, any increase in the value of state-assessed property and allowed adjustments for annexations and refunds as shown below:

		% Increase (Decrease)
2004 Property Tax Levy	\$25,568,745	
2005 Regular Levy Increase	0	0%
2005 New Construction Levy	308,221	1.2%
2005 Annexation Levy	19,247	0%
2005 Net Refund Levy	-82,600	-0.3%
2005 Regular Property Tax Levy	\$25,813,613	0.9%

Section 2. There is hereby levied for 2005 upon all property, both real and personal, within the City of Bellevue, Washington, and within the area subject to tax levies for the principal and interest of all general obligation bond issues, a total voted property tax of \$1,530,000 on each and every dollar of assessed valuation for such property.

Section 3. The City Clerk is directed to transmit a certified copy of this ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations. The Clerk is further directed to transmit a certified copy of this ordinance to the Council Administrator – Clerk of the King County Council and to the King County Assessor on or before December 7, 2004.

Section 4. This ordinance shall take effect and be in force five days after its passage and legal publication.

Passed by the City Council this 6th day of December, 2004, and signed in authentication of its passage this 6th day of December, 2004

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, City Attorney

Patrice C. Cole  
Patrice C. Cole, Assistant City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published December 10, 2004

G.

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5580

AN ORDINANCE adopting the City of Bellevue's 2005-2006 Budget and 2005-2011 Capital Investment Program Plan; setting forth the estimated revenues and appropriations; authorizing the Finance Director to execute interfund loans to accommodate cash flow needs within the General CIP Fund; and establishing an effective date.

WHEREAS, a preliminary biennium budget for 2005-2006 was prepared and filed with the City Clerk as required by law; and

WHEREAS, public hearings were held by the City Council on the preliminary biennium budget and the preliminary 2005-2011 Capital Investment Program Plan, at which time comments for or against any part of the preliminary biennium budget and the preliminary 2005-2011 Capital Investment Program Plan were heard; and

WHEREAS, on November 15, 2004, the City Council held a public hearing upon notice as prescribed by law, and met for the purpose of fixing the final budget of the City for the 2005-2006 fiscal biennium and the 2005-2011 Capital Investment Program Plan; and

WHEREAS, the City Council has made adjustments and changes as it deemed necessary or proper and desires to adopt the 2005-2006 Budget and the 2005-2011 Capital Investment Program Plan; to appropriate monies to each of the City's funds in order to fund expenditures authorized in the 2005-2006 Budget and the 2005-2011 Capital Investment Program Plan; and to authorize the Finance Director to execute interfund loans to accommodate cash flow needs within the General CIP Fund, now, therefore,

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES  
ORDAIN AS FOLLOWS:

Section 1. The 2005-2006 Budget and 2005-2011 Capital Investment Program Plan of the City of Bellevue, Washington, a copy of which has been given Clerk's Receiving No. \_\_\_\_\_, is hereby adopted by this reference along with the financial polices contained therein.

Section 2. The 2005-2006 Budget for each Operating Fund is as follows:

<u>Operating Funds</u>	<u>2005-2006 Budget</u>
General Fund	\$249,893,639
Development Services Fund	36,558,082
Equipment Rental Fund	35,471,245
Facilities Services Fund	11,810,256
Franchise Fund	2,436,874
General Self-Insurance Fund	10,381,000
Health Benefits Fund	31,659,888
Hotel/Motel Tax Fund	17,264,487
Human Services Fund	4,810,280
Information Services Fund	24,855,377
Land Purchase Revolving Fund	3,506,130
LEOFF I Medical Reserve Fund	19,614,369
Marina Fund	1,426,031
Park M&O Reserve Fund	2,838,583
Parks Enterprise Fund	8,397,000
Rainy Day Reserve Fund	4,371,669
Sewer Utility Fund	67,561,963
Solid Waste Fund	3,097,959
Storm and Surface Water Utility Fund	27,283,277
Unemployment Compensation Fund	547,000
Water Utility Fund	68,322,501
Worker's Compensation Fund	3,225,000
Total Operating Budget	<u>\$635,332,610</u>

The 2005-2006 Budget for each Special Purpose Fund is as follows:

<u>Special Purpose Funds</u>	<u>2005-2006 Budget</u>
Firemen's Pension	\$6,780,917
Housing Fund	4,010,541
Interest & Debt Redemption – Regular Fund	15,538,602
Interest & Debt Redemption – Special Fund	5,358,125
LID Control Fund	2,049,467
LID Guaranty Fund	2,755,260
Operating Grants & Donations Fund	16,395,969
Utility Revenue Bond Redemption Fund	4,146,669
Total Special Purpose Budget	<u>\$57,035,550</u>

The 2005-2006 Budget for each Capital Investment Program Funds is as follows:

<u>Capital Investment Program Funds</u>	<u>2005-2006 Budget</u>
General Capital Investment Program Fund	\$167,639,013
Utility Capital Investment Program Fund	47,589,514
2004 City Hall Bond Proceeds Fund	74,811,953
Total Capital Projects Funds	<u>\$290,040,480</u>

Section 3. The City Council hereby makes the following appropriations:

A. For each Operating Fund, whose appropriations lapse at the end of each biennium, the estimated revenues and appropriations are equal to the 2005-2006 Budget shown in Section 2.

B. For each Special Purpose Fund, whose appropriations do not lapse, the appropriation adjustment is as follows:

Special Purpose Funds

Housing Fund	\$2,011,378
Operating Grants & Donations Fund	<u>1,966,525</u>
Total Special Purpose Appropriation Adjustment	<u>\$3,977,903</u>

C. For each Capital Investment Program Fund, whose appropriations do not lapse, the appropriation adjustment is as follows:

Capital Investment Program Funds

1) General Capital Investment Program Fund	
2005-2006 Budget	\$167,639,013
Remaining Appropriation from the 2003-2004 Budget	<u>130,903,032</u>
Appropriation Adjustment	<u>\$ 36,735,981</u>
2) Utility Capital Investment Program Fund	
2005-2006 Budget	\$47,589,514
Remaining Appropriation from the 2003-2004 Budget	<u>29,084,078</u>
Appropriation Adjustment	<u>\$18,505,436</u>
3) 2004 City Hall Bond Proceeds Fund	
2005-2006 Budget	\$74,811,953
Remaining Appropriation from the 2003-2004 Budget	<u>71,934,150</u>
Appropriation Adjustment	<u>\$ 2,877,803</u>

The appropriations authorized above shall be for the purpose of funding those projects set forth in the Capital Investment Program Plan adopted pursuant to Section 1 of this ordinance. The Finance Director is authorized to execute interfund loans to accommodate cash flow needs within the General Capital Investment Program (CIP) Fund during the CIP Plan period, notwithstanding the limitations of BCC 3.37.070.

Section 4. The job classifications and pay ranges for employees of the City, as set forth in the 2005 City of Bellevue Pay Plans, hereby adopted as part of the biennium budget for 2005-2006, and given Clerk's Receiving No. 36737, shall constitute the job classifications and pay ranges for such employees.

Section 5. All employees who are members of a bargaining unit shall receive such pay and benefits as are provided for in the appropriate collective bargaining agreement.

Section 6. The provisions of Sections 1-5 of this ordinance shall take effect on January 1, 2005.

Section 7. The City Clerk is directed to transmit a certified copy of this ordinance to the Office of the Auditor of the State of Washington, Division of Municipal Corporations and to the Association of Washington Cities.

Section 8. This ordinance shall take effect and be in force five (5) days after passage and legal publication.

Passed by the City Council this 6th day of December, 2004, and signed in authentication of its passage this 6th day of December, 2004.

(SEAL)

Connie B. Marshall  
Connie B. Marshall, Mayor

Approved as to form:

Lori M. Riordan, Acting City Attorney

Patrice C. Cole  
Patrice C. Cole, Assistant City Attorney

Attest:

Myrna L. Basich  
Myrna L. Basich, City Clerk

Published December 10, 2004

## Stakeholder Outreach Summary

---

### A. INTRODUCTION

Obtaining stakeholder feedback is one of several tools the City of Bellevue uses to plan its biennial budget. As part of the 2005-2006 Budget process, the City of Bellevue conducted a telephone survey to obtain resident feedback on budget priorities and held three public hearings

### B. BELLEVUE BUDGET SURVEY

Each budget cycle, the City of Bellevue conducts a statistically valid survey of residents' perceptions of community needs and services. The Budget Survey is designed to enhance the City's knowledge of Bellevue residents' perceptions about the City and to help City leaders better understand community priorities and expectations regarding City services. The survey has been conducted on a biennial basis since 1998 to help support decision making for each upcoming budget. The City Council and management staff used the 2004 Budget Survey along with other information to help make decisions for the City's 2005-2006 Operating Budget and the 2005-2011 Capital Investment Plan.

The 2004 survey was based on past surveys to facilitate trend analysis but contained some changes and enhancements. Northwest Research Group conducted the 2004 survey and analyzed the results. Interviewing was conducted by phone between March 1 and March 14. A total of 408 residents were interviewed in the 2004 survey. For a survey sample of this size, the margin of sampling error is about plus or minus 5% at the 95% level of confidence.

#### Survey Highlights

- Nearly all of those responding to the survey rate the quality of life in the City and in their own neighborhood as “good” or “excellent.” Almost all (97%) residents who participated in the Budget survey say the quality of life in the City is either “good” or “excellent.” Nearly the same percentage (96%) of respondents rate the quality of life in their own neighborhood as “good” or “excellent.”
- Respondents who do not give a rating of “excellent” to the quality of life in the City or in their own neighborhood commonly cite traffic and road concerns as the reason for not giving an excellent rating.
- Although residents' concern with traffic is evident in their responses to open-ended questions regarding City and neighborhood problems, public safety is ranked as the top budget priority among six service areas (the six service areas include: transportation, public safety, neighborhood preservation, economic development, environmental protection, and parks). This is in contrast to 2002 results when transportation surpassed public safety as the top budget priority. However, transportation is ranked as the second greatest budget priority by 2004 survey respondents. In addition, Economic Development is reported to be a higher priority than it was in prior Budget Surveys.
- Residents generally perceive City services and facilities to be important, with all City services receiving a mean importance score of at least a 4.9 (greater than the mid-point on the 1 to 7 importance scale). Police, fire and emergency services tend to round out the services that are most important to respondents, however the top tier of importance is interspersed with services such as maintaining streetlights, having clean and well-maintained parks, building or widening City roads, maintaining existing streets and sidewalks, and having recreation and facilities for youth.

- City services and facilities also receive generally high satisfaction scores – with all areas garnering at least a mean satisfaction score of a 4.3 (greater than the mid-point on the 1 to 7 satisfaction scale). Many of the areas that are rated with the greatest importance also receive the greatest average satisfaction ratings.
- Only six service/facility items have a gap (when comparing the mean importance score to the average satisfaction score) of greater than 1.0, indicating that residents’ satisfaction is generally comparable to how important they perceive a service to be.
- Compared to 2002, respondents in 2004 reported they were significantly more satisfied with the level of service the City provides with several transportation services included in the survey. These include “building or widening city roads to help ease congestion”, “maintaining existing streets and sidewalks”, “reducing traffic problems in residential neighborhoods.”
- When assessing their agreement with strategies designed to deal with increased traffic, respondents most often agree that the City should “work with regional agencies to improve transit service in Bellevue” and “encourage and make it more attractive for people to choose transportation alternatives.”
- The majority of respondents say they are getting their money’s worth for their tax dollar.
- The majority of respondents also believe that taxes and services should remain at their current levels. A small percentage of respondents say that tax levels and services should increase, with an even smaller proportion of respondents saying that tax and service levels should be decreased.

## **Survey Purpose & Methodology**

### Objectives

The Operating Budget Survey is designed to provide a statistically valid tool to enhance the City’s knowledge of Bellevue residents’ perceptions about the City and to better understand community priorities and expectations regarding City services. It has been performed on a biennial basis since 1998 to help support decision making for each upcoming budget. The 2004 Budget Survey will be used as part of the framework for making City budget decisions.

The survey addresses the following areas:

- General feelings about the direction in which the City is headed;
- Attitudes toward quality of life at citywide and neighborhood levels;
- Biggest problems at citywide and neighborhood levels;
- Importance and satisfaction ratings for specific City facilities and services;
- Priorities for the City Budget;
- Preferences on strategies for addressing traffic congestion; and
- Value received for tax dollars and opinion of tax and service levels.

The 2004 survey instrument is very similar to the Operating Budget/CIP Surveys that were conducted in 1998, 2000 and in 2002, though the 2004 survey contains one additional City service, “prosecuting misdemeanor crimes,” for rating of its importance and satisfaction by respondents. The similarity provides the opportunity to compare results between the 2004, 2002, 2000 and 1998 survey years. Some of the 2004 Operating Budget Survey results can also be compared to results from the 1996 Bellevue Services Survey and the 1997 Capital Facilities Survey, given that items from each of these were drawn from to create the combined budget survey format currently used.

### Methodology

This telephone survey is designed to collect statistically valid data that can be projected to the general population of residents in Bellevue households. The survey sample was randomly selected from households in Bellevue. Both listed and unlisted telephone numbers were included.

A total of 408 Bellevue City residents were interviewed. All respondents were asked to verify that they live within the Bellevue City limits. Quotas were used to ensure that the proportion of single-family and multi-family households in the sample were representative of the proportions in the larger Bellevue population (55% single-family; 45% multi-family).

The interview averaged 25.6 minutes in length. Interviews were conducted Monday, March 1<sup>st</sup> through Sunday, March 14<sup>th</sup> (on ten weekdays and 4 weekend days).

The results of the Budget Survey provide City leaders with valuable insights into residents’ concerns and priorities. These survey results need to be viewed in context and as a complement to the other many tools and sources of information available for making budget allocation decisions.

### Interpretation of Data: Note to Reader

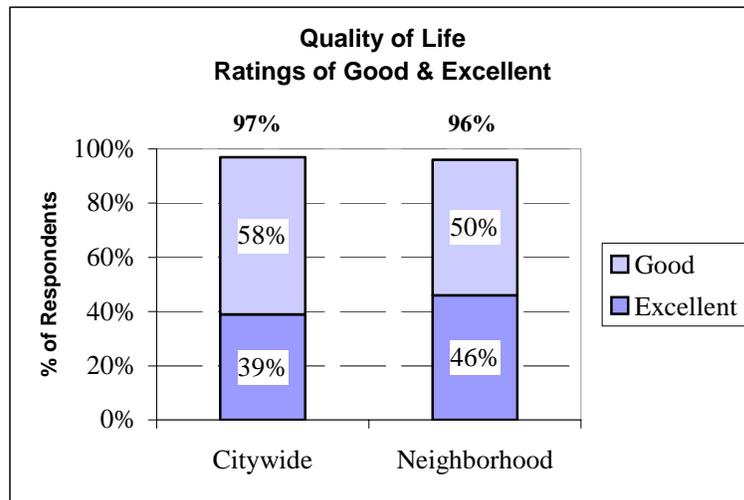
There are practical limitations to the representativeness of any survey. Typically, some residents tend to be under-represented in telephone surveys, including younger residents and (in the case of English-language surveys) residents whose main language is not English. All survey research results are also subject to sampling error. For the total citywide sample of 400, the sampling error is about plus or minus 5% at the 95% level of confidence.

This report also includes references to data for subgroups of respondents, such as respondents living in multi-family and single-family dwellings, men, women, etc. *Given that the margin of error (sampling error) is related to the size of the sample, these subgroups have wider margins of sampling error.*

There are several open-ended questions in this survey. Open-ended questions are very valuable in that they explain reasons why people feel the way they do about certain issues. In-depth opinions are very time sensitive. They are a snapshot of current opinion at a particular point in time, and can be influenced by many factors including the media. Results from open-ended questions should not be used to gauge how people would vote or their level of support for specific issues.

## Quality of Life

Nearly all of those responding to the survey rate the quality of life in the City and in their own neighborhood as “good” or “excellent.” Almost all (97%) residents who participated in the Budget survey say the quality of life in the City is either “good” or “excellent.” Nearly the same percentage (96%) of respondents rate the quality of life in their own neighborhood as “good” or “excellent.” Respondents were only slightly more likely to give an “excellent” rating to the quality of life in their own neighborhood (46%) than they were to give an “excellent” rating to the citywide quality of life (39%).



Respondents cited location/convenience, parks/recreation/open space/the environment, and public safety as the most common reasons for rating the quality of life in the their city as “good” or “excellent”. In their neighborhoods, respondents also included nice people/sense of community, safety and availability of police and fire services as contributors to the high quality of life.

For both the citywide and the neighborhood quality of life questions, **respondents giving a rating below “excellent” were asked to indicate what would need to change or improve to make the quality of life “excellent.”** As reported for the 2002 Budget Survey, respondents rating their own neighborhood as less than excellent and those rating the City as less than excellent both most often cite transportation-related issues as the things that would need to improve to make their neighborhood or the City “excellent.” Among the transportation issues mentioned, **traffic is most often cited as the problem that would need to improve** to make the quality of life “excellent.”

Responses to the two questions about what would need to improve at the neighborhood and citywide level are very similar in their relative importance compared to responses given in 2002. However, there are a few significant increases and decreases in the frequency with which some responses were given.

At the citywide level:

- Significantly fewer 2004 respondents mentioned *any* transportation, traffic or road related improvements that could be made (51% compared to 60% in 2002).
- A significantly lesser percentage of 2004 respondents, compared to 2002 respondents, also gave suggestions relating to pedestrian and/or bicycle road improvements (3% vs. 7% in 2002), bus and transit accessibility (2% vs. 9% in 2002), and provision of affordable housing or lower rent rates (2% vs. 6% in 2002).

At the neighborhood level:

- Significantly more respondents mentioned crime and safety issues (13% vs. 7% in 2002).

## Biggest Problems Residents Want City to Address

All respondents were asked to consider the “city as a whole” and identify the one biggest problem that they feel the City should do something about over the next two years. **Nearly two-thirds (65%) of all respondents say that traffic and/or transportation issues are the biggest problems the City should address over the next two years.** Complaints about traffic were mentioned most often among the comments regarding traffic and transportation; nearly half (48%) of all respondents say traffic is the biggest problem the City should do something about over the next two years. **Among transportation issues, respondents mention roads second most often** as the biggest problem the City should do something about.

Notably, the percentage mentioning overall traffic and transportation issues and the percentage mentioning traffic are significantly less than reported in 2002, but similar to percentages reported in 2000:

- 71% mentioned overall Transportation/ Traffic issues in 2002; 63% mentioned these in 2000
- 55% mentioned traffic as a specific problem in 2002; 49% mentioned traffic in 2000

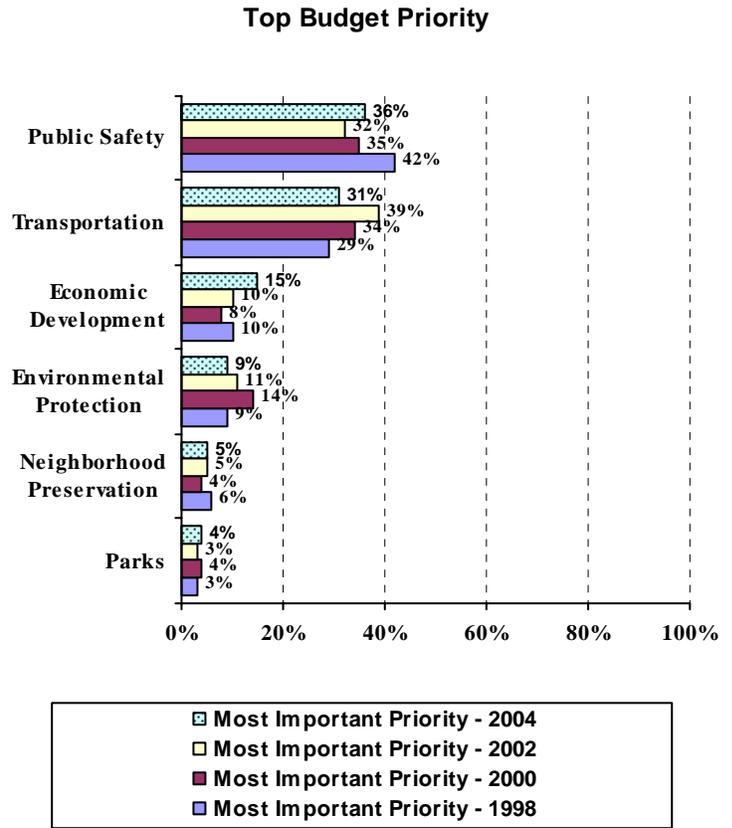
**When asked if there was any problem in the respondent’s own neighborhood** that the City should do something about over the next two years, just **one-third (34%) of respondents said that there was a problem in their own neighborhood** that the City should do something about. This percentage is significantly less than reported in 1998 (47%) and 2000 (42%), and slightly less than reported in 2002 (35%).

**Almost half (46%) of those respondents who said there was a problem, say that transportation and traffic related issues are the problem in their neighborhood.** This is similar to the 48% who mentioned transportation issues in 2002, yet a significantly lesser percentage than reported in 2000 (57%).

While traffic is the most often cited transportation problem *at the citywide level*, **road maintenance and repair and street or traffic light concerns are the most often cited transportation problem at the neighborhood level** (22% of those who say there is a neighborhood problem the City should do something about mention **roads**, while only 12% mention traffic as a problem in their neighborhood).

### Budget Priorities

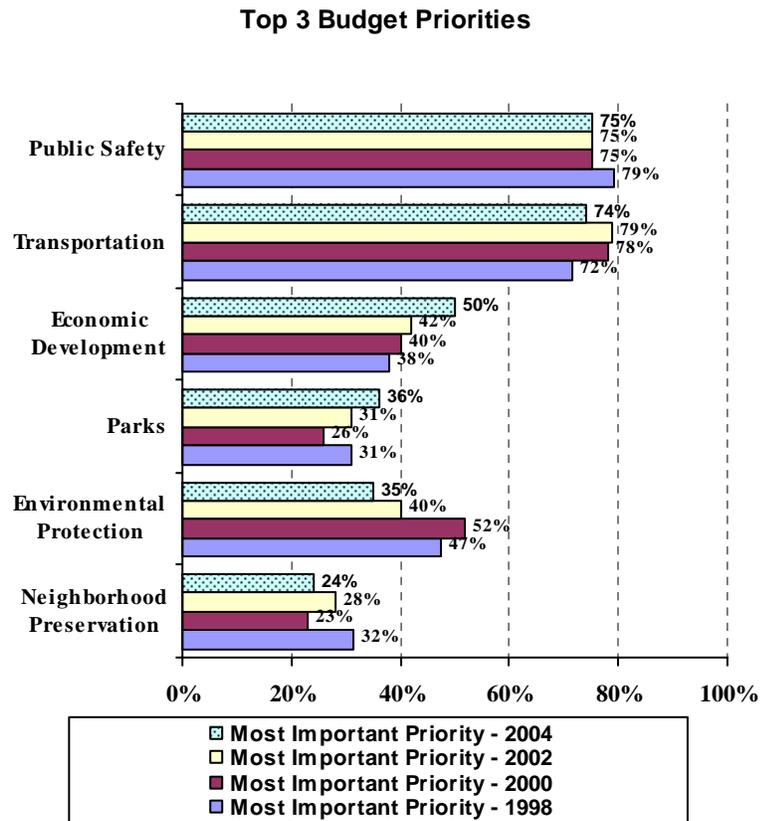
**TOP BUDGET PRIORITY:** As in past surveys, respondents were asked to select their top budget priority from among six general service areas. **This year, as in all but one survey year (2002) – Public Safety is ranked as the top budget priority by 36% of 2004 respondents.** The percentage of respondents reporting that Transportation is the most important budget priority had previously increased each survey year; however, in 2004 the percentage naming Transportation as the top budget priority decreased significantly from a high of 39% in 2002 to 31%. This is nearly the same percentage naming Transportation as the top budget priority in 1998 (29%). The percentage of respondents naming Economic Development as the top budget priority increased significantly from 10% in 2002 to 15% this 2004.



**TOP 3 BUDGET PRIORITIES:**

In addition, respondents were also asked to name their second and third budget priorities. Results were combined for each service area to ascertain which service areas were most often considered to be one of the top three budget priorities.

- Three-quarters (75%) of respondents name Public Safety as either a first, second or third budget priority. This is the same combined percentage seen in both 2002 and 2000.
- Three-quarters (74%) of 2004 respondents also say Transportation should be the first, second or third budget priority – slightly less than the combined percentage in 2002 (79%) and in 2000 (78%).
- Half (50%) of 2004 respondents consider Economic Development to be one of the top three budget priorities. This is a significant increase over combined percentages seen in 2002 (42%) and in 2000 (40%).
- More than one-third (36%) say that Parks are a first, second or third budget priority.



This is slightly greater than the combined percentage in 2002 (31%) and significantly greater than the combined percentage in 2000 (26%).

- Approximately 35% of 2004 respondents say Environmental Protection should be the first, second or third priority. It appears as though there is a downward trend in the number of respondents who rate this within the top three budget priorities.
- Neighborhood Preservation is deemed a first, second or third budget priority by one-quarter (24%) of 2004 respondents – this is similar to 2002 (28%) and 2000 (23%) combined percentages.

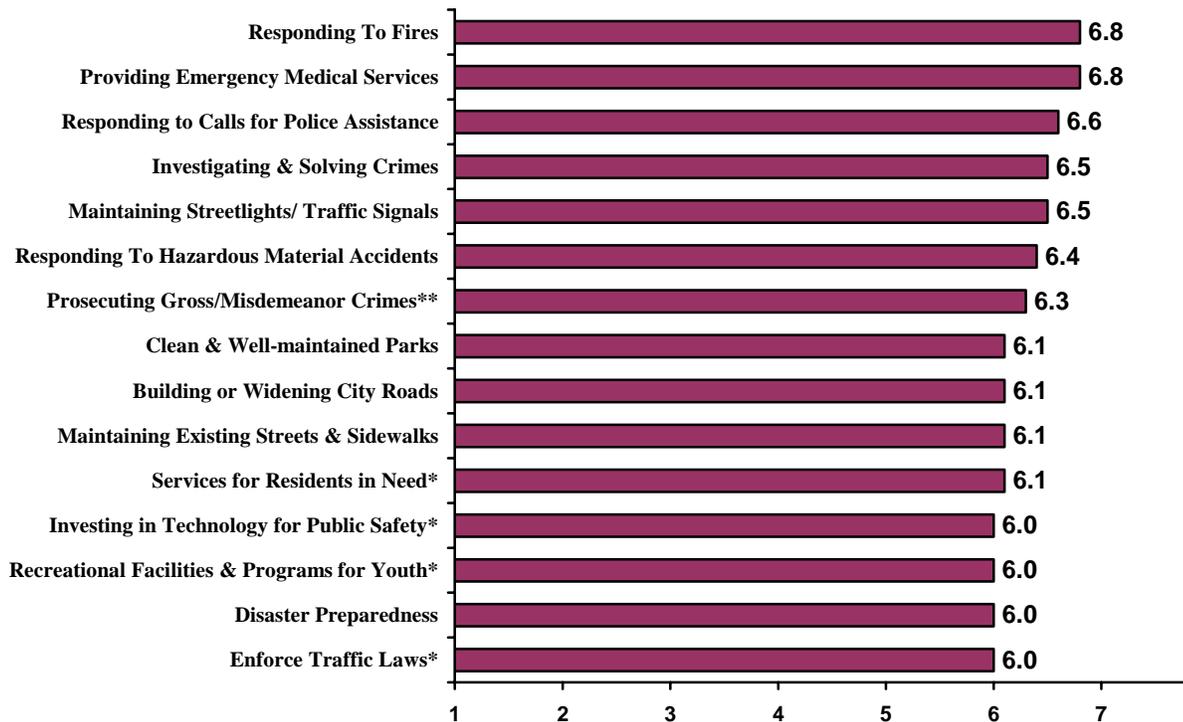
### **Importance and Satisfaction Ratings for Facilities and Services**

The heart of the Budget Survey is a series of questions asking respondents to rate 42 specific types of services and facilities on 1) how important they believe it is for the City to provide the service or facility and 2) how satisfied they are with the City's job in providing the service or facility. Respondents were asked to provide ratings on a 1 to 7 scale with 7 being the highest rating for both importance and satisfaction.

Similar to the mean importance ratings reported in 2002, in the 2004 survey every service item received a mean rating of at least a 4.9 ranging upward to a high mean rating of 6.8.

**All of the service items that received a mean rating of 6.0 or greater in 2002 also received a mean rating of 6.0 or greater in 2004 – therefore belonging in the First Tier of Importance. The First Tier of Importance continues to generally be comprised of those services and facilities relating to public safety. This year, respondents rated four service areas above 6.0 in importance that had been rated lower than 6.0 in 2002 (and therefore were not in the First Tier of Importance in 2002).**

**FIGURE 1**  
**First Tier of Importance**  
**Facilities and Services Receiving Highest Mean Important Ratings (6.0 or Greater)**



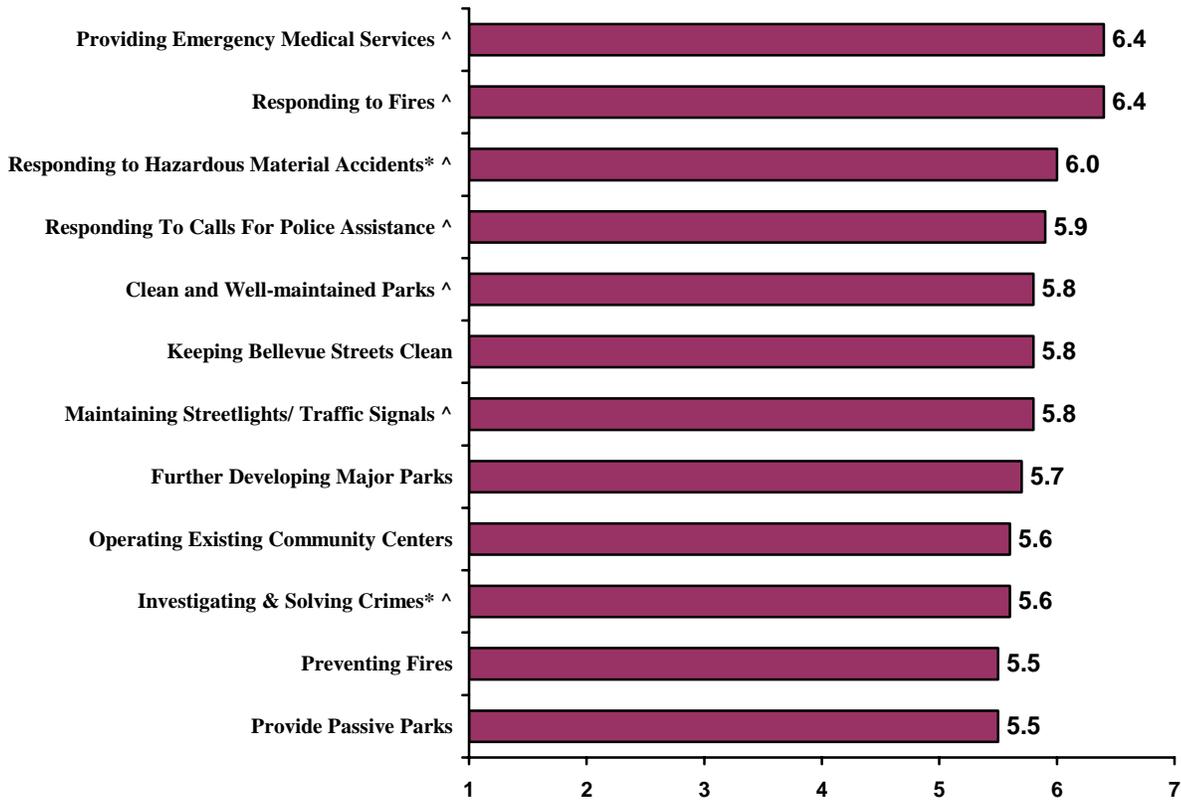
*\*The service items marked with an asterisk (\*) were reported in the Second Tier of Importance for the 2002 Budget Survey.*

*\*\*The service item "prosecuting misdemeanor and gross misdemeanor crimes committed in Bellevue" is new to the 2004 Budget Survey.*

As in 2002, in 2004 all service and facility items were given average satisfaction ratings of at least 4.3. Those services garnering the greatest satisfaction among respondents received mean satisfaction ratings of 6.4.

**Among the twelve services receiving a mean satisfaction rating of 5.5 or greater – the First Tier of Satisfaction – seven of those services are also most important to respondents (in the First Tier of Importance).** Services that were rated as the most important but that are not in the First Tier of Satisfaction tend to deal with roads and sidewalks, and services for residents and youth. The differences between those services that are most important to respondents and the satisfaction level with services are discussed in more detail on the following pages.

**FIGURE 2**  
**First Tier of Satisfaction**  
**Facilities and Services Receiving Highest Mean Satisfaction Ratings (5.5 or Greater)**



\*High Percentage of respondents (20% or more) reported “don’t know” for service area satisfaction.

^ These service areas were also in the 2004 First Tier of Importance.

The two-page table beginning on the next page shows importance and satisfaction ratings for all services included in the 2004 survey. The order in which services and facilities are listed is based on mean importance ratings, with areas receiving the highest ratings shown first. On this table, mean importance ratings and satisfaction ratings are shown for each service and facility about which the survey asked. This table then shows both the percentages giving the highest possible rating (a “7”) and the combined percentages giving a rating of “6” or “7.” The last column shows the percentage giving a response of “don’t know” with regards to satisfaction with each service or facility.

In evaluating satisfaction ratings, it is important to note that “don’t know” responses are quite common for several areas. Seven (7) out of 42 areas receive responses of “don’t know” from 20 percent or more of respondents, and 6 areas receive “don’t know” responses from 17 to 19 percent of respondents.^ There may be opportunities for the City to build awareness among residents about the City’s work in these areas. However, many of the services and facilities receiving a high percentage of “don’t knows” with respect to satisfaction (responding to hazardous material accidents, for instance) are those with which only a small percentage of respondents have direct experience. Responses of “don’t know” are much less common when respondents answer about the *importance* of services than when they answer about their *satisfaction* with services. (The percentage of don’t know responses concerning the importance of services ranged from less than 1 percent to 8 percent.)

^ Service areas with a high proportion of don’t know responses have their ‘don’t know’ results, in the table on the next pages, in bold and underlined.

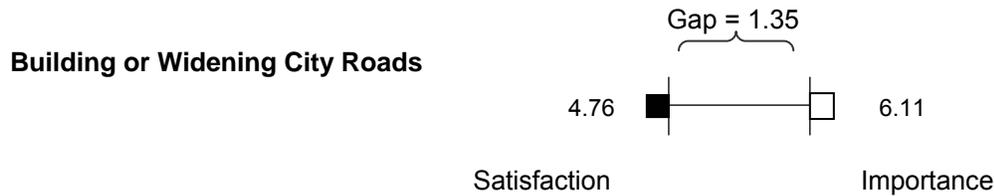
**IMPORTANCE AND SATISFACTION RATINGS**

	Importance			Satisfaction			
	Mean	% Rating 7	% Rating 6 or 7	Mean	% Rating 7	% Rating 6 or 7	Don't Know <sup>^</sup>
<b>1<sup>st</sup> Tier of Importance (Mean Rating of 6.0 or More)</b>							
Responding To Fires	6.81	84%	96%	6.41	53%	79%	10%
Providing Emergency Medical Services	6.75	82%	94%	6.41	53%	77%	11%
Responding to Citizen Calls for Police Assistance	6.62	68%	88%	5.93	31%	56%	<b>19%</b>
Investigating & Solving Crimes	6.46	62%	84%	5.56	18%	45%	<b>20%</b>
Maintaining Streetlights & Traffic Signals	6.46	63%	87%	5.77	34%	66%	1%
Responding to Hazardous Material Accidents	6.43	59%	81%	6.03	28%	51%	<b>30%</b>
Prosecuting Misdemeanor & Gross Misdemeanor Crimes	6.26	55%	78%	5.31	15%	39%	<b>19%</b>
Ensuring Clean & Well-maintained Parks	6.14	42%	78%	5.82	29%	65%	2%
Building or Widening City Roads	6.11	52%	74%	4.76	12%	31%	2%
Maintaining Existing Streets & Sidewalks	6.09	43%	76%	5.28	19%	46%	1%
Providing Services for Residents in Needs	6.07	45%	73%	5.12	11%	29%	<b>24%</b>
Investing in Technology for Public Safety	6.03	46%	71%	5.38	16%	34%	<b>28%</b>
Providing Recreational Facilities & Programs for Youth	6.01	44%	71%	5.21	12%	39%	14%
Preparing for Disasters	5.97	41%	70%	5.41	17%	40%	<b>20%</b>
Reducing Traffic Accidents by Enforcing Traffic Laws	5.96	47%	69%	5.30	21%	46%	5%
<b>2<sup>nd</sup> Tier of Importance (Mean Rating of 5.5 to 5.9)</b>							
Keeping Bellevue Streets Clean	5.93	39%	65%	5.81	29%	66%	1%
Managing the City's Physical Development	5.89	38%	66%	5.06	13%	35%	8%
Preventing Fires	5.86	40%	65%	5.54	19%	47%	<b>18%</b>
Community Policing	5.83	39%	66%	5.25	18%	42%	8%
Preserving Open Spaces/ Natural Areas	5.82	41%	65%	5.29	17%	42%	8%
Teaching Drug Abuse Resistance	5.82	46%	66%	5.36	17%	37%	<b>29%</b>
Economic Development	5.80	40%	61%	4.68	6%	20%	<b>18%</b>
Further Developing Major Parks	5.80	35%	63%	5.72	31%	62%	4%
Operating Existing Community Centers	5.74	34%	60%	5.60	21%	49%	14%
Reducing Traffic in Residential Neighborhoods	5.73	37%	64%	4.74	10%	29%	4%
Providing Outdoor Athletic Facilities	5.72	31%	61%	5.26	17%	43%	7%
Building Neighborhood Improvements	5.68	32%	61%	5.34	18%	46%	4%
Increasing Traffic Patrols in Residential Neighborhoods	5.63	34%	61%	5.20	16%	44%	5%
Providing Passive Park Uses	5.56	25%	54%	5.49	19%	48%	7%
Developing Small Parks That Serve Neighborhoods	5.56	31%	54%	5.40	23%	48%	7%
Building Sidewalks Along Major Roads	5.50	28%	56%	4.99	13%	35%	7%

^ Service areas with a high proportion of don't know responses have their 'don't know' results, in the table above, in bold and underlined.

**Gaps between Importance and Satisfaction**

As noted, services that residents feel are most important tend also to be those with which they are most satisfied. Useful insights are, however, provided by analyzing the size of gaps between the mean importance and satisfaction ratings given by respondents. An example is provided below of how gaps between mean importance and satisfaction ratings are calculated.



Generally, on the Budget Survey, services are given somewhat higher importance than satisfaction ratings. **Relatively large gaps**—in which the mean rating of importance is at least 1.0 rating points higher than the mean rating of satisfaction—merit a particularly close look by the City. **A gap of 1.0 or more may signal a need for more public education and outreach** regarding a particular facility or service. Or, **such a gap may signal that resources are not adequate, or are not deployed as well as they could be.** Large gaps may also reflect broad frustration with challenges that have aspects that are regional in scope and that local government has only some ability to impact.

Results of the 2004 Budget Survey reveal that six services have gap scores of 1.0 or greater; compared to five services in 2002 and about twice as many services with gap scores of 1.0 or greater in the 2000 and 1998 Budget Surveys. It should be noted that respondents in 2004 reported significant improvement in many of the service areas that had large gaps in 2002.

Two of the six City service areas, with gap scores of 1.0 or more in 2004, have shown a statistically significant trend toward increasing importance: **“building or widening City roads”** and **“promoting jobs and economic development.”** However, the satisfaction with “building or widening City roads” has also increased so that the overall difference between the importance of this item and the satisfaction with this item has actually narrowed. On the other hand, results show that **residents believe that “promoting jobs and economic development” has increased in importance,** however residents have become less satisfied with the City’s job on this.

A series of three charts is provided next to show the size of gaps between average importance and satisfaction ratings for all service areas about which the 2004 survey asked. The services are arranged by tier of importance.

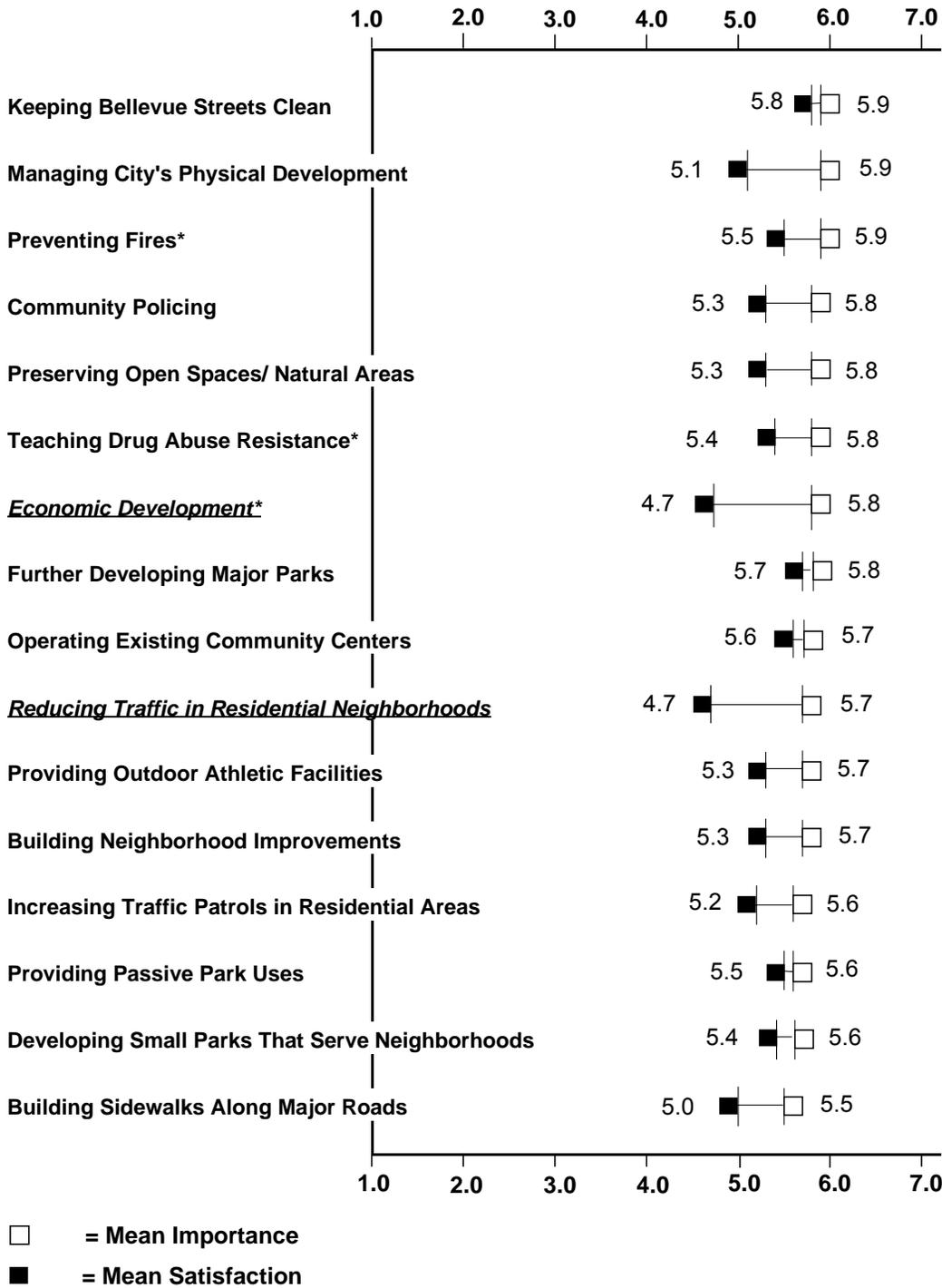
### Gap Analysis 2004 First Tier of Importance (Mean 6.0 or Greater)



□ = Mean Importance  
 ■ = Mean Satisfaction

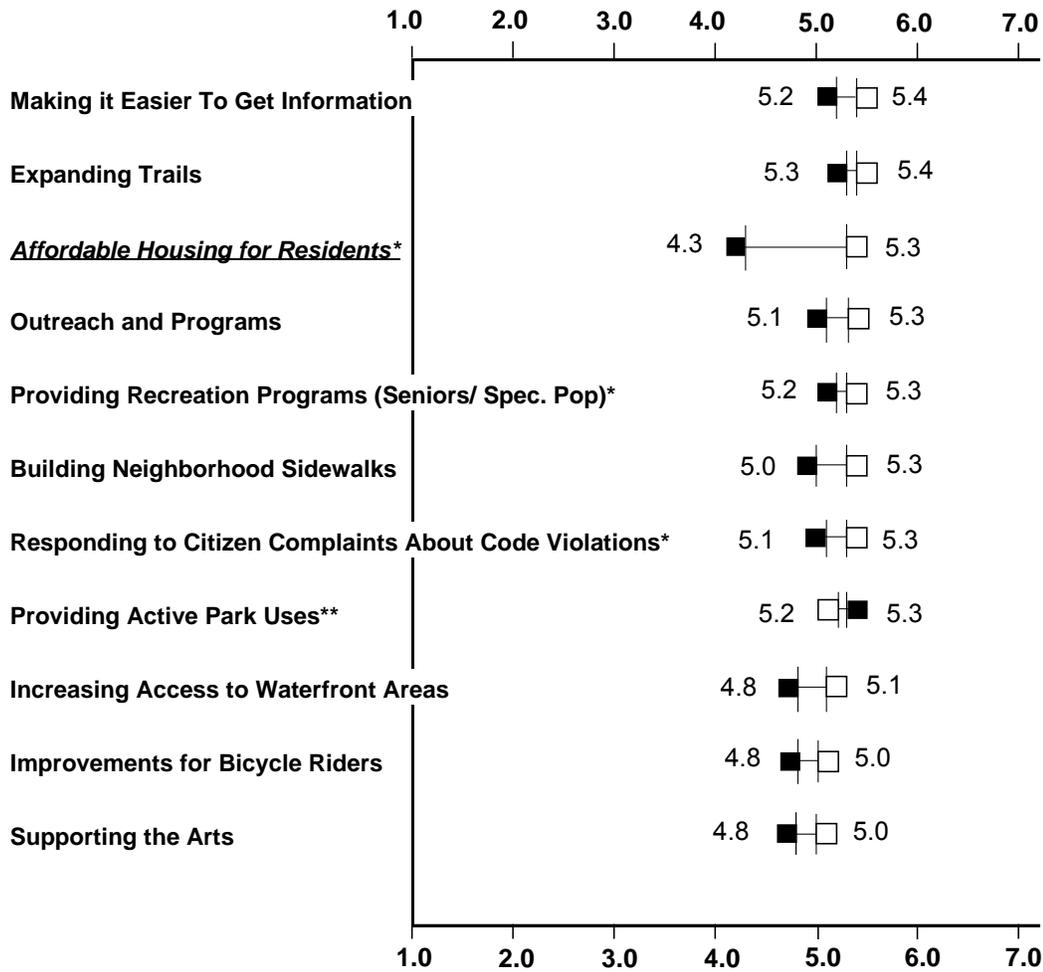
\*High percentage of respondents "don't know" how satisfied they are with service/facility.  
Services or facilities with a gap score of 1.0 or greater are underlined and italicized.

**Gap Analysis 2004**  
**Second Tier of Importance (Mean of at least 5.5 and less than 6.0)**



\*High percentage of respondents "don't know" how satisfied they are with service/facility.  
*Services or facilities with a gap score of 1.0 or greater are underlined and italicized.*

**Gap Analysis 2004**  
**Third Tier of Importance (Mean less than 5.5)**



□ = Mean Importance

■ = Mean Satisfaction

\*High percentage of respondents "don't know" how satisfied they are with service/facility.

\*\*Note, the mean satisfaction rating is greater than the mean importance rating for "Providing Active Park Uses"

Services or facilities with a gap score of 1.0 or greater are underlined and italicized.

### **Trends in Importance and Satisfaction Ratings**

When making a direct comparison between mean scores in 2004 and mean scores in 1998, the majority of service areas increased in their *importance* ratings and also in their *satisfaction* ratings. For several service areas, the differences between 1998 and 2004 ratings are statistically significant.

There are statistically significant trends of **increasing satisfaction** for several service areas. In addition, these areas with increasing satisfaction have also shown decreasing gaps in the disparity between the importance of the service compared to the satisfaction with the service area:

- **Investigating and solving crimes**
- **Maintaining existing streets and sidewalks**
- **Preparing for disasters such as earthquakes and major storms**
- **Managing the City's physical development**
- **Preserving open spaces and natural areas**
- **Reducing traffic problems in residential neighborhoods**

The table on the next page shows trends for service areas that have had **substantial gaps** between importance and satisfaction ratings in 1998, 2000, 2002 and/or 2004. Gap scores that are statistically greater than that reported in another year are shown in bold.

An indication is also made regarding whether the gap score (importance minus satisfaction) has widened, narrowed or remained stable between 1998 and 2004.

(see table on next page)

IMPORTANCE AND SATISFACTION TRENDS: SERVICES WITH SUBSTANTIAL GAPS IN 1998, 2000, 2002 AND/OR 2004					
	<u>Gap</u>				<u>Trends 1998 to 2004</u>
	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>Gap</u>
<b>1st Tier of Importance</b>					
<b>Investigating And Solving Crimes</b>	<b>1.06</b>	<b>1.09</b>	<b>0.98</b>	.90	Narrowing
<b>Building Or Widening City Roads To Help Ease Traffic Congestion</b>	<b>1.72</b>	<b>1.37</b>	<b>1.66</b>	1.35	Appears to be narrowing (Note that gap will be influenced by transit and construction projects on Bellevue roads and freeways)
<b>Maintaining Existing Streets &amp; Sidewalks</b>	<b>0.96</b>	<b>0.96</b>	<b>1.08</b>	.81	Narrowing overall with slight increase in gap score in 2002
<b>Providing Services For Residents In Need</b>	0.83	<b>1.08</b>	0.71	<b>0.95</b>	No trend – varying gap
<b>Preparing For Disasters Such As Earthquakes And Major Storms</b>	<b>1.14</b>	<b>0.74</b>	<b>0.79</b>	0.56	Narrowing
E. 2nd Tier of Importance					
<b>Managing City's Physical Development</b>	<b>1.25</b>	<b>1.16</b>	<b>1.22</b>	0.83	Narrowing
<b>Preserving Open Spaces And Natural Areas</b>	<b>1.01</b>	<b>1.11</b>	<b>0.80</b>	0.53	Narrowing
<b>Promoting Jobs and Economic Development</b>	0.42	0.36	<b>0.90</b>	<b>1.12</b>	Widening
<b>Reducing Traffic Problems In Residential Neighborhoods</b>	<b>1.41</b>	<b>1.02</b>	<b>1.29</b>	0.99	Narrowing
F. 3rd Tier of Importance					
<b>Promoting Affordable Housing For City Residents</b>	<b>1.43</b>	<b>1.21</b>	0.88	<b>1.03</b>	Narrowing through 2002; widened gap in 2004

### Trends in Importance and Satisfaction Ratings and Gaps for all City Services and Facilities

The tables on the next few pages summarize trends in ratings and gaps for *all service areas between 1998 and 2004*. Importance and satisfaction mean scores that have increased significantly over any of the previous survey years are in bold. Within the table, City services are listed in descending order by the average importance score in 2004 (by tier of importance).

#### First Tier of Importance

	<u>Importance</u>				<u>Satisfaction</u>				<u>Gap</u>			
	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>	<u>1998</u>	<u>2000</u>	<u>2002</u>	<u>2004</u>
Responding To Fires	Stable 6.77 6.80 6.78 6.81				Stable; slightly increasing 6.36 6.37 6.44 6.41				Stable over time 0.41 0.43 0.34 0.40			
Providing Emergency Medical Services Such As Medic One	Significant increases in 2000 and 2002; relatively stable compared to 1998 6.66 <b>6.81</b> <b>6.78</b> 6.75				Stable 6.26 6.35 6.41 6.41				Narrowing since 2002 0.40 0.46 0.37 0.34			
Responding To Citizen Calls For Police Assistance	Stable 6.57 6.57 6.52 6.62				Significant increase in 2004 5.75 5.75 5.74 <b>5.93</b>				Narrowing since 2002 0.82 0.82 0.78 0.69			
Investigating And Solving Crimes	Stable 6.44 6.40 6.45 6.46				Significant increase in 2004; generally increasing 5.38 5.31 5.47 <b>5.56</b>				Narrowing 1.06 1.09 0.98 0.90			
Maintaining Street Lights & Traffic Signals	Increasing 6.27 6.37 <b>6.42</b> <b>6.46</b>				Stable 5.73 5.69 5.72 5.77				Widening 0.54 0.68 0.70 0.69			
Responding To Hazardous Material Accidents	Increasing 6.16 <b>6.36</b> <b>6.42</b> <b>6.43</b>				Increasing 5.63 5.59 <b>5.92</b> <b>6.03</b>				Narrowing since 2002 0.53 0.77 0.50 0.40			
Prosecuting Misdemeanor and Gross Misdemeanor Crimes ( <i>Added in 2004</i> )	*	*	*	6.26	*	*	*	5.31	*	*	*	0.95
Ensuring Clean And Well-Maintained Parks & Park Facilities	Increasing 5.88 5.90 6.00 <b>6.14</b>				Slight decreases in 2000 and 2002; significant increase in 2004 5.70 5.61 5.62 <b>5.82</b>				Gap relatively stable since 2000 0.18 0.29 0.38 0.32			
Building Or Widening City Roads To Help Ease Traffic Congestion	Increasing since 2000 5.90 5.80 6.00 <b>6.11</b>				Significant increase in 2004 4.18 4.43 4.34 <b>4.76</b>				Appears to be narrowing (Note that gap will be influenced by transit and construction projects on Bellevue roads and freeways) 1.72 1.37 1.66 1.35			
Maintaining Existing Streets And Sidewalks	Slightly increasing 5.98 6.00 6.06 6.09				Significant increase in 2004 5.02 5.04 4.98 <b>5.28</b>				Narrowing overall with slight increase in 2002 0.96 0.96 1.08 0.81			
Providing Services For Residents In Need	Slightly increasing 5.77 5.92 5.91 6.07				Significant increase in 2002; relatively stable between 2002 and 2004 4.94 4.84 <b>5.20</b> <b>5.12</b>				No trend - varying gap 0.83 1.08 0.71 0.95			

	<b>Importance</b>				<b>Satisfaction</b>				<b>Gap</b>			
	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>
Investing In Technology Designed To Enhance Public Safety ( <i>New wording in 2002</i> )	Stable				Stable				Stable			
	*	*	5.89	6.03	*	*	5.25	5.38	*	*	0.64	0.65
Providing Recreational Facilities And Programs For Youth	Significant increase in 2004				Slightly increasing				Slightly widening in 2002 and 2004			
	5.72	5.71	5.80	<b>6.01</b>	5.02	5.02	5.07	5.21	0.70	0.69	0.73	0.80
Preparing For Disasters Such As Earthquakes And Major Storms	Significant increase in 2002; slightly increasing over time				Increasing				Narrowing			
	5.77	5.84	<b>6.06</b>	5.97	4.63	5.10	5.27	<b>5.41</b>	1.14	0.74	0.79	0.56
Reducing Traffic Accidents Through Enforcing Traffic Laws	Significant increase in 2004; relatively stable prior to 2004				Relatively stable				Stable over time			
	5.81	5.71	5.87	<b>5.96</b>	5.17	5.14	5.13	5.30	0.64	0.57	0.74	0.66

**Second Tier of Importance**

	<b>Importance</b>				<b>Satisfaction</b>				<b>Gap</b>			
	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>
Keeping Bellevue Streets Clean	Relatively stable 5.84 5.81 5.84 5.93				Significant increase in 2004 5.72 5.60 5.60 <b>5.81</b>				Stable over time; slightly widening in 2000 and 2002 0.12 0.21 0.24 0.12			
Managing City's Physical Development	Stable 5.94 5.80 5.92 5.89				Significant increase in 2004 4.69 4.64 4.70 <b>5.06</b>				Narrowing 1.25 1.16 1.22 0.83			
Preventing Fires	Generally increasing 5.65 5.76 <b>5.88</b> <b>5.86</b>				Increasing 5.31 5.47 5.51 <b>5.54</b>				Stable 0.34 0.29 0.37 0.32			
Community Policing Such As Bike Patrols And Neighborhood Police Officers	Stable 5.83 5.69 5.72 5.83				Slightly increasing 5.08 5.09 5.26 5.25				Generally narrowing 0.75 0.60 0.46 0.58			
Preserving Open Spaces And Natural Areas	Relatively stable 5.98 5.81 5.81 5.82				Generally increasing with a significant increase in 2004 4.97 4.70 5.01 <b>5.29</b>				Narrowing since 2002 1.01 1.11 0.80 0.53			
Teaching Drug Abuse Resistance To Elementary School Students ( <i>new wording in 2002</i> )	Stable * * 5.96 5.82				Stable * * 5.28 5.36				Stable * * 0.68 0.46			
Promoting Jobs And Economic Development	Increasing 5.43 5.50 <b>5.70</b> <b>5.80</b>				Decreasing <b>5.01</b> <b>5.14</b> 4.80 4.68				Widening 0.42 0.36 0.90 1.12			
Further Developing Major Parks	Increasing 5.47 5.50 5.66 <b>5.80</b>				Increasing 5.40 5.52 5.58 <b>5.72</b>				Stable over time 0.07 -0.02 0.08 0.08			
Operating Existing Community Centers	Increasing 5.45 5.66 5.64 <b>5.74</b>				Increasing 5.32 5.42 5.50 <b>5.60</b>				Stable over time 0.13 0.24 0.14 0.14			
Reducing Traffic Problems In Residential Neighborhoods	Stable over time with significant increase in 2002 5.76 5.52 <b>5.79</b> 5.73				Generally increasing with significant increase in 2004 4.35 4.50 4.50 <b>4.74</b>				Generally narrowing 1.41 1.02 1.29 0.99			
Providing Outdoor Athletic Facilities	Increasing 5.31 5.34 5.51 <b>5.72</b>				Increasing 5.06 5.13 5.16 5.26				Slightly widening since 2002 0.25 0.21 0.35 0.46			
Building Neighborhood Improvements Such As Sidewalks, Crosswalks & Miniparks	Generally increasing with significant increases in 2002 and 2004 5.48 5.46 <b>5.73</b> <b>5.68</b>				Increasing 5.03 5.04 5.11 <b>5.34</b>				Relatively stable over time 0.45 0.42 0.62 0.34			
Increasing Traffic Patrols In Residential Neighborhoods	Stable over time <b>5.59</b> 5.26 <b>5.59</b> <b>5.63</b>				Slightly increasing 5.11 5.14 5.24 5.20				Relatively stable over time 0.48 0.12 0.35 0.43			
Providing Passive Park Uses, for example activities like jogging, going to a beach, picnicking, and walking nature trails.	Significantly greater importance in 1998 and 2004 <b>5.62</b> 5.36 5.46 <b>5.56</b>				Significantly greater satisfaction in 1998 and 2004 <b>5.37</b> 5.20 5.24 <b>5.49</b>				Generally narrowing 0.25 0.16 0.22 0.07			

	<b>Importance</b>				<b>Satisfaction</b>				<b>Gap</b>			
	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>	<b>1998</b>	<b>2000</b>	<b>2002</b>	<b>2004</b>
Developing Small Parks that Primarily Serve Neighborhoods	Significant increase in 2004 5.26 5.21 5.27 <b>5.56</b>				Increasing with a significant increase in 2004 4.98 5.11 5.12 <b>5.40</b>				Relatively stable 0.28 0.10 0.15 0.16			
Building Additional Sidewalks Along Major Roads	Significant increase in 2004 5.32 5.23 5.40 <b>5.50</b>				Significant increase in 2004 4.76 4.60 4.77 <b>4.99</b>				Relatively stable 0.56 0.63 0.63 0.51			

**Third Tier of Importance**

	Importance				Satisfaction				Gap			
	1998	2000	2002	2004	1998	2000	2002	2004	1998	2000	2002	2004
Making it Easier to Get Information about City Services and Programs	Relatively stable 5.32 5.23 5.43 5.42				Significant increase in 2004 4.96 4.96 5.20 <b>5.22</b>				Narrowing 0.36 0.27 0.23 0.20			
Expanding the System of Recreational Trails within parks and between major destinations	Slightly increasing 5.12 5.20 5.30 5.37				Increasing with significant increase in 2004 4.97 5.02 5.09 <b>5.33</b>				Relatively stable through 2002 with narrowing gap in 2004 0.15 0.18 0.21 0.04			
Promoting affordable housing for city residents	Stable over time 5.35 5.23 5.23 5.34				Increasing 3.92 4.02 <b>4.35</b> <b>4.31</b>				Narrowing through 2002; widened gap in 2004 1.43 1.21 0.88 1.03			
Providing Outreach And Programs to give neighborhoods better access to City services.	Increasing 5.05 5.15 <b>5.30</b> <b>5.33</b>				Increasing 4.93 4.93 5.06 5.12				Generally widening 0.12 0.22 0.24 0.21			
Providing recreation programs for seniors and special populations. <i>(Added in 2002)</i>	Stable * * 5.25 5.30				Stable * * 5.20 5.20				Relatively stable * * 0.05 0.10			
Building Additional Neighborhood Sidewalks	Increasing 4.94 4.94 <b>5.18</b> <b>5.29</b>				Generally increasing with significant increase in 2004 4.66 4.59 4.71 <b>4.95</b>				Stable over time 0.28 0.35 0.47 0.34			
Responding To Citizen Complaints About Code Violations like illegal housing additions or junk vehicles.	Generally increasing 5.13 5.11 <b>5.35</b> 5.28				Generally increasing 4.74 4.98 4.97 5.09				No trend - varying gap 0.39 0.13 0.38 0.19			
Providing Active Park Uses <i>(New wording in 2002)</i>	Significant increase in 2004 * * 5.06 <b>5.23</b>				Significant increase in 2004 * * 5.03 <b>5.25</b>				Narrowing gap in 2004 compared to 2002 * * 0.03 -0.02			
Increasing Public Access To Bellevue's Waterfront Areas <i>(Not asked in 1998.)</i>	Relatively stable * 4.98 5.12 5.12				Significant increase in 2004 * 4.51 4.55 <b>4.84</b>				No trend - varying gap * 0.47 0.57 0.28			
Making Improvements for Bicycle Riders	Relatively stable 4.89 4.82 4.90 5.02				Increasing since 2000 with significant increase in 2004 4.42 4.36 4.57 <b>4.81</b>				Narrowing 0.47 0.46 0.33 0.21			
Supporting The Arts	Significant increase in 2004 compared to 2000 4.83 4.69 4.85 <b>4.97</b>				Relatively stable 4.90 4.85 5.00 4.84				Widened gap in 2004 -0.07 -0.16 -0.15 0.13			

### Strategies for Addressing Traffic Congestion

The Budget Survey asks respondents to state how strongly they agree or disagree with five different strategies (listed below) the City could employ to deal with increased traffic congestion.

- Widen major City roads.
- Encourage the state to widen state highways.
- Work with regional agencies to improve transit service for Bellevue.
- Divert traffic away from local neighborhoods even if it may increase travel time.
- Encourage and make it more attractive for people to choose transportation alternatives such as riding the bus, carpooling, and vanpooling. This could include building more carpool lanes and working to get more reliable and frequent bus service.

The greatest majority of respondents agree that in order to deal with increased traffic congestion, the City should work with regional agencies to improve transit service for Bellevue (**89% somewhat or strongly agree with this strategy**). **Garnering the second greatest percentage of agreement ratings, eighty-two percent (82%) of respondents somewhat or strongly agree that the City should encourage and make it more attractive for people to choose transportation alternatives.** Approximately three-quarters of respondents agree (somewhat or strongly) that the city should widen major City roads (72%) or encourage the state to widen state highways (76%) in order to deal with increased traffic congestion. A significantly lesser majority (57%) somewhat or strongly agree that traffic should be diverted away from local neighborhoods even if it may increase travel time. Similar to 2002, a small percentage of respondents report strong disagreement for any of these strategies (13% or fewer respondents strongly disagree with each statement).

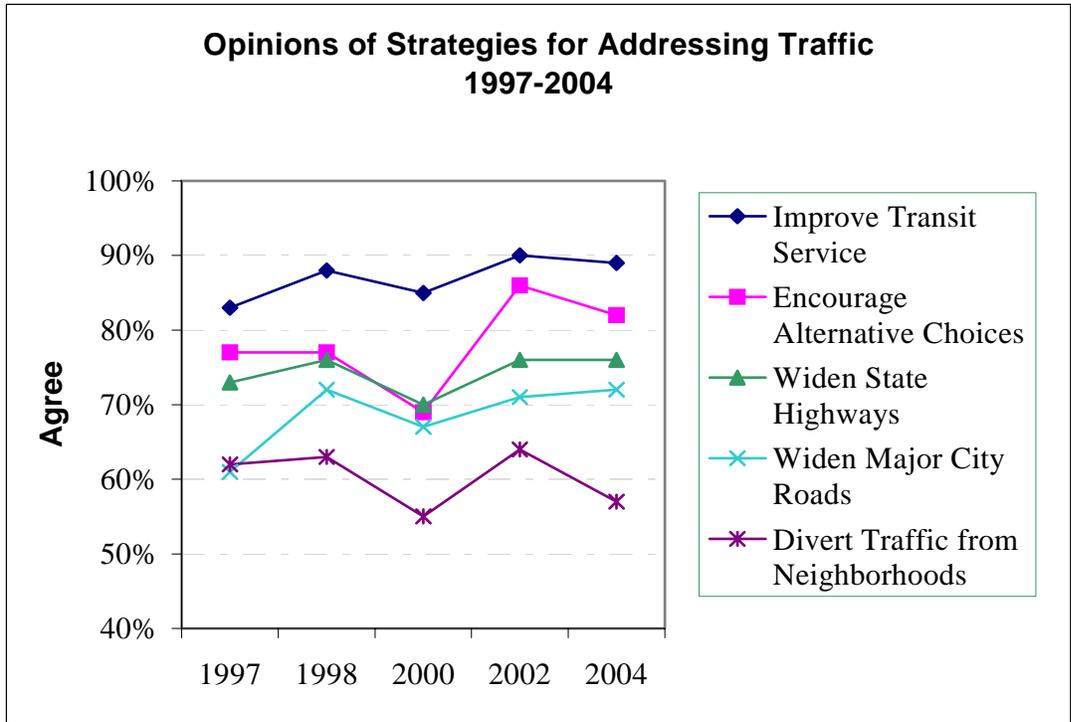
The table on the next page shows the percentage of agreement and disagreement ratings given for each of the five strategies.

(see table on next page)

<b>OPINIONS REGARDING TRANSPORTATION STRATEGIES 2004 SURVEY</b>						
	Strongly Agree	Somewhat Agree	Neither Agree Nor Disagree	Somewhat Disagree	Strongly Disagree	Don't Know
Work with Regional Agencies to Improve Transit Service for Bellevue	57%	32%	2%	4%	3%	1%-
	89%			7%		
Encourage and Make it More Attractive for People to Choose Transportation Alternatives	57%	25%	4%	5%	8%	<1%
	82%			13%		
Encourage The State To Widen State Highways*	49%	28%	4%	9%	10%	1%
	76%*			18%*		
Widen Major City Roads*	38%	35%	3%	13%	11%	1%
	72%*			24%		
<b>Divert Traffic Away From Local Neighborhoods Even If It May Increase Travel Time</b>	23%	34%	5%	24%	13%	1%
	57%			37%		
<i>*Individual percentages do not add exactly to combined sum due to rounding.</i>						

The chart on the right shows trends in the transportation strategy series since it was first asked in 1997.

In each survey year, every strategy has garnered a majority in support. Prior years have also yielded similar patterns in responses in which transit-related strategies and strategies to help people choose alternatives to driving alone are most popular.



In relation to each other, the relative agreement with each statement

has remained consistent over the survey years. Notably, however, in 2004 two strategies, "widening major City roads" and "encourage the state to widen state highways" saw an increase in the percentage of agreement ratings compared to 2002. In addition, significantly fewer respondents in 2004 agreed that traffic should be diverted away from local neighborhoods than did in 2002 (38% in 2004 vs. 30% in 2000).

### Survey Changes

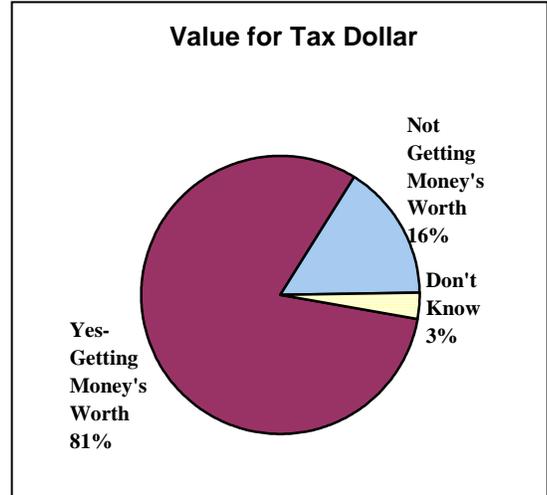
*The percent agreeing had trended significantly upward between 1997 and 2002 for several of these strategies: improving transit, encouraging alternative choices, and widening major city roads. The steep increase between 2000 and 2002 in the percent agreeing with encouraging alternative transportation choices is likely partly related to the change in wording on this item. In 2000 and before, it was worded: "Develop ways that encourage individuals to change the ways in which they travel." In 2002, it was changed to provide respondents with more detail on how the City can encourage use of alternatives: "Encourage and make it more attractive for people to choose transportation alternatives such as riding the bus, carpooling, and vanpooling. This could include building more carpool lanes and working to get more reliable and frequent bus service."*

*"Work[ing] with Regional Agencies to Improve Transit Service for Bellevue" has been the most popular strategy for dealing with congestion each year this series has been on a budget survey. (In 2000 and prior years this question was worded slightly differently to read "Work with Metro to provide Bellevue with better bus service.")*

### Opinions regarding Taxes and Service Levels

The Budget Survey asks residents whether they feel they are getting their money's worth for the taxes they pay for city services. Eight out of ten (81%) 2004 respondents say they are getting their money's worth for their tax dollar. Sixteen percent (16%) of respondents do not feel they are getting their money's worth for their tax dollar.

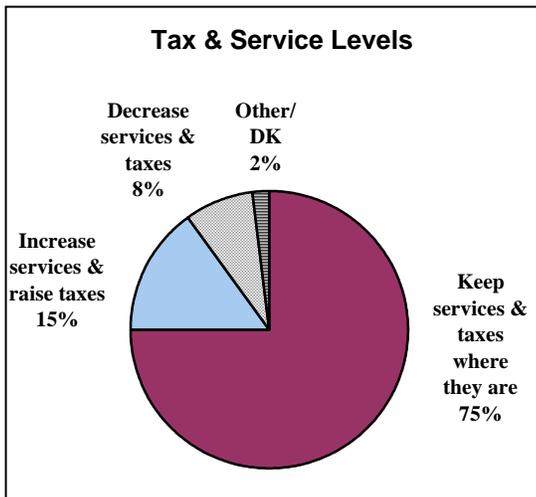
The percentage of respondents who report getting their money's worth for their tax dollar has increased slightly each survey year. The table to the right shows the percentage reporting they are getting their money's worth and the percentage who report they are not getting their money's worth during each survey year.



In general, there are few statistically significant differences between demographic groups. However, it is interesting to note that respondents with children living at home were significantly more likely to report they were getting their money's worth for their tax dollar than were childless respondents.

VALUE FOR TAX DOLLAR: TRENDS IN RESPONSES (BASE: ALL RESPONDENTS)					
	1996	1998	2000	2002	2004
<b>Getting Money's Worth</b>	<b>72%</b>	<b>73%</b>	<b>78%</b>	<b>79%</b>	<b>81%</b>
<b>Not Getting Money's Worth</b>	<b>20%</b>	<b>22%</b>	<b>16%</b>	<b>16%</b>	<b>16%</b>
<b>Don't Know / Refused</b>	<b>8%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>

A second question asks respondents to weigh the corresponding relationship between services received for their tax dollar to identify the preferred level of taxes and services.



Three-quarters (75%) of all respondents say that the City should keep taxes and services about where they are. Fifteen percent (15%) indicate they would prefer to see an increase in service levels and taxes, while eight percent (8%) of respondents say they want a decrease in taxes and service levels. These results are similar to those reported during past survey waves. However, a higher proportion of respondents indicate a preference for increased taxes and services in both 2002 and 2004 than in prior years (15% in both 2002 and 2004 compared to 9% in 2000).

TAX AND SERVICE LEVELS: TRENDS IN RESPONSES (BASE: ALL RESPONDENTS)					
	1996	1998	2000	2002	2004
Keep Where They Are	77%	74%	74%	76%	75%
Increase	10%	10%	9%	15%	15%
Decrease	9%	8%	9%	6%	8%
Don't Know / Refused	4%	8%	8%	3%	2%

### Suggested Services/ Facilities to Increase or Decrease

Respondents who said the City should either increase or decrease services and taxes were asked to suggest what services or facilities should be increased or decreased.

**Among the sixty-three (63) respondents who say the City should increase services and taxes, more than half (57%) say that transportation services (such as road improvement & maintenance, transit and traffic improvements) should be increased. More than a third (35%) say the City should increase police services and public safety. Three in ten (29%) also say that parks and recreation services should be increased. In addition, 13% stated Fire/Medic One services should be increased.**

**Among the thirty-three (33) respondents who say the City should decrease services and taxes, one in five (21%) suggest cutting parks and recreation services and another 21% suggest cutting budgetary support to the arts. Eighteen percent (18%) of respondents just say that the City government should be more efficient with tax dollars in order to lower taxes. As well, 12 of the respondents (or 36%) who say that services and taxes should be decreased do not know what services should be decreased.**

#### Other Comments

**Just before concluding the survey, interviewers asked respondents whether they had any additional comments for the City regarding needs and priorities for the next two-year budget. Two-thirds (67%) of respondents did not offer any final comments. However, the area of concern receiving the greatest percentage of responses is transportation/ traffic/ roads (9% of respondents gave a final comment regarding transportation).**

## Demographics - Survey Respondent Profile

### Household Size

A majority (60%) of respondents surveyed in the 2004 Budget Survey report they have two adults (including themselves) living in their household. One-quarter (26%) of respondents report they are the only adult in their household; 14% of respondents report they have three or more adults living in their household.

### Children in Household

Similar to 2002 survey results, seventy percent (70%) of respondents do not have children living in their household, while 13% have one child and 14% have two children living in their household. Only three percent (3%) of respondents report they have three or more children in their household. As reported in 2000 and in 2002, respondents who live in a multi-family dwelling are more likely than single-family dwelling residents to *not* have any children (79% of multi-family residents have no children compared to 63% of single-family residents).

### Dwelling Type

Fifty-five percent (55%) of survey respondents interviewed live in single-family dwellings; 45% live in multiple family dwellings. The survey proportion is representative of households in Bellevue and was ensured with a screening quota.

### Years Lived in Bellevue

Similar to 2000 and 2002 survey results, on average, respondents have lived in the City of Bellevue for fifteen (15.0) years. Approximately one in five respondents have lived in the City for one to two years (18%) or for three to five years (21%). One out of ten respondents (11%) report living in the City for six to nine years. Half (50%) of the 2004 survey respondents have lived in the City for ten or more years.

### Gender

Half of survey respondents interviewed are male (50%); half are female (50%). Quotas were employed during respondent-screening to ensure an equal split between proportions of males and females.

### Age

Four out of ten (41%) of 2004 survey respondents are between the ages of 35 to 54. This is a slightly greater percentage in this age group than reported in 2002 (35%). Slightly fewer than one-quarter of respondents, each, are either under 35 years of age (22%) or age 65 or older (23%). Fourteen percent (14%) of respondents are between the ages of 55 and 64. Multi-family residents are more likely than single-family residents to be under the age of 35 (36% compared to 10%, respectively). On the other hand, single-family residents are more likely than multi-family residents to be between the ages of 35 and 64 (64% compared to 45%).

### Ethnicity/Race

The majority of respondents are white (76%). Fourteen percent (14%) are of Asian descent, while two percent (2%) of respondents say they are Hispanic; 2% are African American; less than 1% are Native American; 2% are Eastern European; and 2% refused to disclose their ethnic background.

### Annual Household Income

Similar to 2002 survey results, more than one in ten (15%) respondents have annual household incomes of less than \$35,000. One-third (33%) of respondents report annual household incomes of \$35,000 to \$75,000, and more than one-third (36%) of respondents have annual household incomes of \$75,000 or more. Sixteen percent (16%) of respondents refused to disclose their income. Compared to residents living in multi-family complexes, residents living in single-family dwellings tend to have higher household incomes.

### C. PUBLIC HEARINGS

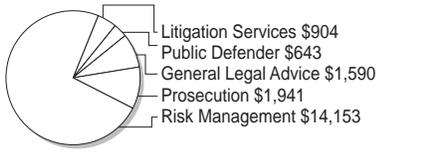
Although only a single public hearing is required by State of Washington code, the City of Bellevue held three public hearings on the 2005-2006 Budget to provide stakeholders multiple opportunities to officially comment on the budget. Two public hearings -- one in May and the other in July -- were held prior to the submission of the Preliminary Budget to the Council. These two public hearings offered residents and other stakeholders the opportunity to let the Council know what issues were important to them before City management leaders formulated their budget request. The third (final) public hearing was held after the Council received the Preliminary Budget. This public hearing gave interested parties the chance to address new budget proposals, comment on significant budget issues, and ask the Council to include funding for initiatives not recommended by City managers.

During the three public hearings, 14 stakeholders addressed the Council. Most of these individuals spoke at the third and last public hearing. In contrast to the previous budget biennium when human resource issues dominated the public hearings, topics of interest during this series of public hearings were limited to proposed fire inspection fees and a cable utility tax. Neither of these two budget proposals was adopted by the Council. However, the Council adopted an across-the-board increase in the City's utility tax instead of the cable utility tax because it was more broad-based and did not put the tax burden on consumers alone.

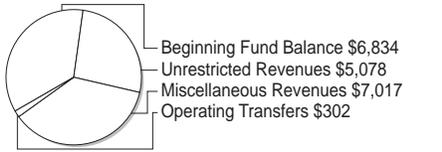
# CITY ATTORNEY

## I. BUDGET OVERVIEW

### Expenditures



### Resources

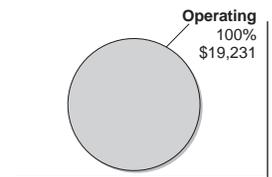


### Budget Data

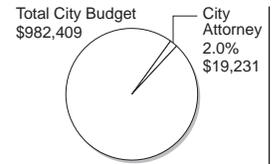
\$000

2005-2006 Budget	\$19,231
Change from 2003-2004:	\$14,252
Change per Capita:	278.7%
2005 FTEs:	23.0
2006 FTEs:	23.0
FTE Change from 2004 to 2005:	5.0
FTE Change from 2005 to 2006:	0.0
FTE Change per Thousand 2004 to 2005:	27.0%
FTE Change per Thousand 2005 to 2006:	(0.6%)

### Summary by Budget Type

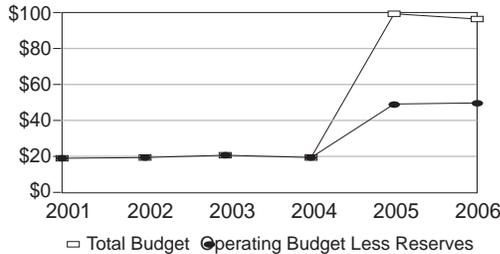


### Percent of Total Budget



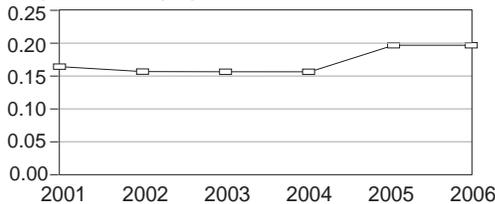
### Historical Trends

Budget per capita (constant dollars)



- One-time funding was included in 2002 and 2003 for outside legal counsel to address an increase in tort litigation cases. The City's self-insurance funds are now included in the CAO's budget, which has resulted in a significant increase in our budget per capita.

FTEs per 1,000 population



- The addition of 5.0 FTEs in 2005 with the transfer of the Risk Management Division slightly raised the ratio of FTEs to city population figures.

### Significant Budget Issues

- The City Attorney's Office staff increased by 5.0 FTEs beginning in 2005 with the transfer of the Risk Management Division from the Finance Department to the City Attorney's Office. The Risk Management Division budget includes the City's three self-insurance funds, which accounts for the significant increase in the City Attorney's Office budget figures as well as the increase in the number of FTEs per city population.
- Public defender costs continued to increase and recoupments have correspondingly continued to lag when compared to prior years. This appears to be caused by a combination of factors, primarily related to the continued effects of the economic downturn. More defendants are seeking public defender services and it has been more difficult for the City to obtain recovery of court-ordered recoupment. It is too soon to tell whether the current economic recovery will have a significant impact in reducing the number of defendants eligible for public defender services. We continue to monitor these figures to avoid a shortfall in this line item.

## II. **MISSION & GOALS**

### Mission:

The mission of the Office of the City Attorney is to assist City government in protecting lives and property and preserving and enhancing the quality of life of the public by delivering effective and high quality advice, code enforcement, litigation, claims management, employee safety, risk management, and prosecution services that further the policies and programs adopted by the City Council.

### Goals:

1. Provide high-quality, cost-effective legal advice and services to the City Council, boards and commissions, and City departments.
2. Protect the interests of the City and its residents by defending the City against damage claims and legal proceedings challenging City actions.
3. Protect the lives and property of the public through effective enforcement of criminal laws.
4. Minimize potential City liability and resulting costs by training and advising staff so as to avoid actions which may result in liability and claims.
5. Safeguard the City's property, financial assets, and human resources from the adverse impact of loss.

## III. **2003-2004 ACCOMPLISHMENTS**

1. Successfully resolved litigation brought by Cougar Mountain Residents Association challenging grant of conditional use permit to Open Window School:
  - The Superior Court affirmed the City Council's final ordinance approving the CUP with conditions.
  - The parties negotiated a settlement to resolve all appeals related to the permit and associated public records claims.
2. Assisted in successful negotiation of Interlocal Agreement with 37 King County cities for administration of jail interlocals with King County and Yakima and for management and disposition of property transfer from King County.
3. Assisted with completion of acquisition of Boeing property and associated land use approvals.
4. Assisted with completion of sale of City Hall site and associated land use approvals.
5. Successfully resolved litigation brought by Gontmakhers against City.
  - The Court of Appeals affirmed the summary judgment granted to the City on the damages claims brought by Gontmakhers.
  - The Gontmakhers dismissed their appeal of the City's permit conditions.
  - The City recovered its attorneys fees and costs associated with defense of the damages action.
6. Assisted in the successful negotiation of the development agreement with the owners of the Tax Lots.
7. Assisted in the successful negotiation of settlement of the Newport Yacht Club and Weinstein litigation.

8. Achieved an 87% success rate in domestic violence prosecutions.
9. Negotiated a settlement of the City's claim for nuisance and trespass against Movafaghs for recovery of the City's costs associated with the landslide from Movafaghs' property onto West Lake Sammamish Parkway.
10. Successfully defended against claims of breach of fiduciary duty by Firemen's Pension Board in Garretson case.
11. Successfully defended appeal to Growth Management Hearings Board of amendments to development regulations pertaining to Factoria subarea.
12. Served as faculty/presenters at numerous civil and criminal conferences, including Mock Trial Programs.
13. Continued with in-service training of City staff on various issues relating to safety, City operations and minimizing liability and claims.
14. Enhanced the Risk Management website on employee safety, incorporating on-line registration for safety classes, providing for computer-based training on Hazardous Communications, and placing the Fire Department's chemical inventory on line.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

1. Pursue Traffic Standards Code Exemption appeal in Supreme Court.
2. Continue participation in City-wide Task Force to update contract approval, settlement and acquisition process.
3. Assist with Meydenbauer Expansion Project and potential partnership with Port of Seattle.
4. Assist with land use approvals, property acquisitions and condemnation proceedings for NE 10<sup>th</sup> extension/Overlake Hospital expansion.
5. Continue assistance in redevelopment work regarding New City Hall campus.
6. Work with Human Resources on continued implementation of and monitoring of compliance with the Temporary Help Amendments to the HR Policy and Procedure Manual.
7. Continue to monitor FCC Cable Modem Service rulemaking proceeding and appeal of Ninth Circuit Court of Appeals decision on cable modem service - protection of right of cities to charge franchise fees on cable internet service.
8. Assist with negotiation of interlocal agreements with King County for acquisition of Coal Creek Park and Surreydowns property by City.
9. Complete integration of Risk Management Division into City Attorney's Office.
10. Assist with municipal/district court plans for long-term location and operation of court.
11. Partner with the Parks and Fire Departments to institute a Public Access Defibrillator Program in seven City facilities.
12. Continue to enhance the availability of information and training on the Risk Management website and via in-service training.

**V. PROGRAM OVERVIEW - CITY ATTORNEY**

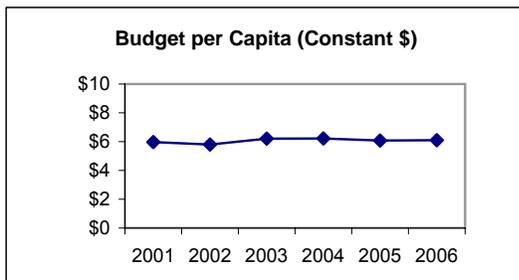
**Program:** Legal Advice

**Description:** Provide legal advice to the City Council, City Boards and Commissions, the City Manager, City Departments, and the Community Councils on a full range of municipal legal matters. Draft and review ordinances, resolutions, contracts, and other documents relating to City business.

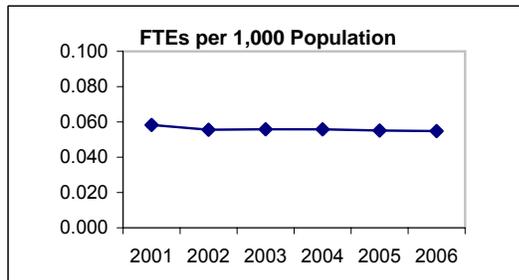
- Initiatives:**
1. Continue assistance with development work on New City Hall.
  2. Assist with municipal district court plans for long-term location and operation of court.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$665	\$696	\$759	\$781	\$782	\$808
Reserves	0	0	0	0	0	0
Total Budget	\$665	\$696	\$759	\$781	\$782	\$808
FTEs	6.5	6.5	6.5	6.5	6.5	6.5

**Historical Trends**



\*Budget per capita will remain fairly constant through 2006.



\*FTEs per 1,000 population will remain fairly constant through 2006.

**1. Desired Program Outcomes:**

- A) Maintain number of damage claims filed per City FTE at or below 0.08 through preventative law and early intervention.
- B) Control legal advice costs by keeping annual increase in cost at or below 4.5%.
- C) Maintain a 92% overall customer satisfaction response of good or better through 2006.

## V. PROGRAM OVERVIEW - CITY ATTORNEY

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) Claims filed per City FTE	0.08	0.08	0.07	0.08	0.08	0.07	0.07
C) Customer satisfaction response of good or better	92.5%	87.8%	92.0%	92.0%	92.0%	95.0%	95.0%
<u>Efficiency</u>							
A) Cost per City FTE	\$528	\$586	\$611	\$561	\$578	\$632	\$652
B) Cost per hour	\$107.91	\$110.37	\$118.00	\$114.48	\$117.92	\$120.00	\$120.00
B) Cost per Hour as a % of outside counsel cost per hour	41.8%	54.9%	45.0%	46.5%	46.5%	45.0%	45.0%
<u>Workload</u>							
All Ordinances prepared	82	76	78	75	75	75	75
All Resolutions prepared	145	153	146	120	120	130	130

### 4. Program Notes:

The Department has continued to conduct an annual customer satisfaction survey regarding the Legal Advice function. The data gathered has been useful in identifying areas where service improvements can be made.

**V. PROGRAM OVERVIEW - CITY ATTORNEY**

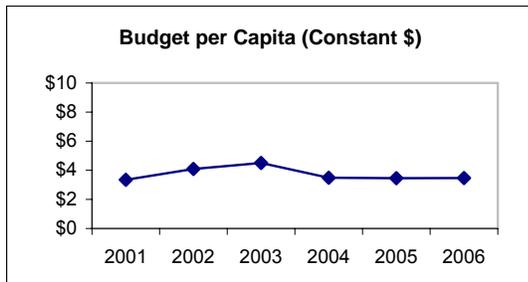
**Program:** Litigation

**Description:** Defense of the City, its elected and appointed officials, and employees in civil litigation, including representation before administrative agencies, trial courts, and appellate courts.

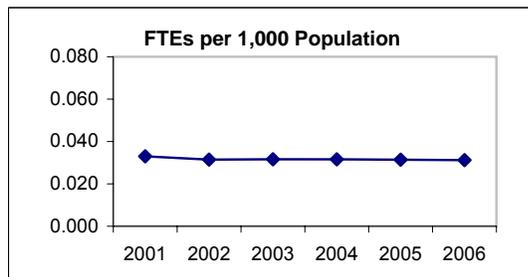
- Initiatives:**
1. Successfully resolve litigation with estate of Martinez-Mendez.
  2. Successfully resolve pending employment discrimination lawsuits.
  3. Continue in-service training program for prevention of litigation.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$373	\$491	\$551	\$438	\$445	\$459
Reserves	0	0	0	0	0	0
Total Budget	\$373	\$491	\$551	\$438	\$445	\$459
FTEs	3.7	3.7	3.7	3.7	3.7	3.7

**Historical Trends**



\*Budget per capita decreased in 2004 as one-time funding increase for outside counsel ended in 2003.



\*FTEs per 1,000 population will remain fairly constant through 2006.

**1. Desired Program Outcomes:**

- A) Maintain % of cases resolved for not more than 10% over estimated value at 95% or greater.
- B) Maintain % of cases resolved with defense costs not more than 10% over estimated value at 95% or greater.
- C) Minimize increases in cost per case handled.

## V. PROGRAM OVERVIEW - CITY ATTORNEY

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<u>Efficiency</u>							
All Cost per hour	\$107.91	\$110.37	\$118.00	\$114.48	\$117.92	\$120.00	\$120.00
All Cost per hour as a % of outside counsel cost per hour	41.8%	54.9%	56.7%	46.5%	46.5%	52.0%	52.0%
<u>Workload</u>							
All Active cases against City	29	30	38	35	35	35	35
All Active cases by City	9	5	8	7	7	7	7
All Cases per Attorney	15.0	13.5	18.0	15.0	15.0	15.0	15.0

### 4. Program Notes:

Successfully concluded litigation in Open Window School litigation and scope of Community Council authority to pursue appeals to State Growth Management Hearings Board.

**V. PROGRAM OVERVIEW - CITY ATTORNEY**

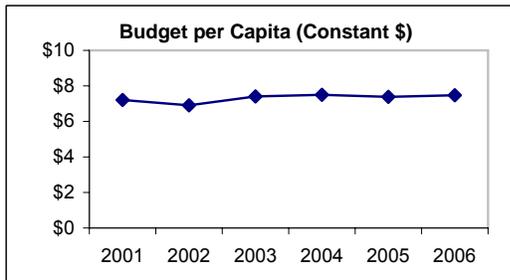
**Program:** Prosecution

**Description:** Enforce the criminal and traffic laws of the City by prosecuting violations of those laws in district court and, on appeal, in superior and appellate courts. Provide assistance and support to victims of crime.

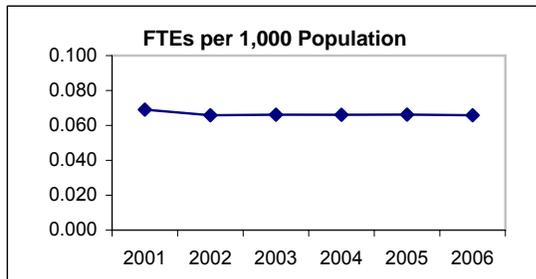
**Initiatives:** Prosecutors now appear at arraignments in an attempt to resolve cases at this early stage and thereby reduce the number of cases set for trial. This reduces the time spent by prosecutors in trial preparation, the number of public defender appointments and the time spent by police officers in court.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$804	\$829	\$906	\$942	\$950	\$990
Reserves	0	0	0	0	0	0
Total Budget	\$804	\$829	\$906	\$942	\$950	\$990
FTEs	7.7	7.7	7.7	7.7	7.8	7.8

**Historical Trends**



\*Budget per capita has been increasing since 2003 due to changes in court services.



\*Budget per capita has been increasing since 2003 due to changes in court services.

**1. Desired Program Outcomes:**

- A) Maintain percentage of cases set for jury trial that are resolved without jury trial at 99% or higher.
- B) Maintain percentage of cases set for bench trial that are resolved without trial at 45% or higher.
- C) Maintain average review time of summons received from Police Department to 10 days or less in 2005 and 2006.
- D) Maintain affirmance rate on appeals of 90% or higher.

## V. PROGRAM OVERVIEW - CITY ATTORNEY

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) % of cases set for jury trial resolved without jury trial	99.0%	99.1%	99.0%	99.0%	99.0%	99.0%	99.0%
B) % of cases set for bench trial resolved without trial	17.8%	72.0%	54.0%	25.0%	25.0%	45.0%	45.0%
C) Average review time of summons in days	12.7	6.1	9.2	10.0	10.0	10.0	10.0
D) % of cases affirmed on appeal (see note below)	87.5%	65.0%	90.0%	90.0%	90.0%	90.0%	90.0%
<u>Efficiency</u>							
E) Cost per capita (City residents)	\$6.58	\$7.02	\$8.06	\$6.98	\$7.19	\$8.11	\$8.40
E) Cost per criminal case	\$270	\$324	\$329	\$286	\$295	\$315	\$320
<u>Workload</u>							
A) Jury trials held	41	33	48	35	35	40	40
C) Summons reviewed	2,668	2,356	2,568	2,500	2,500	2,500	2,500
D) Appeals	25	27	33	35	35	30	30
E) Criminal cases	2,781	2,535	2,721	2,500	2,500	2,600	2,600
All Readiness hearings	4,004	3,660	4,002	3,600	3,600	3,500	3,500
All Cases per prosecutor	618	563	604	556	556	575	575
All Motions	606	522	651	500	500	550	550
All Bench Pre-Trials	954	859	846	800	800	825	825
All Bench Trials Held	784	696	783	750	750	750	750

### 4. Program Notes:

The percentage for cases set for bench trial has been reduced significantly beginning in 2002 because the appearance of prosecutors at arraignments has resulted in a substantial increase in the number of cases resolved prior to being set for trial. Those cases that do get set are therefore less likely to be resolved prior to trial because they have already made efforts to resolve which have proven unsuccessful.

**V. PROGRAM OVERVIEW - CITY ATTORNEY**

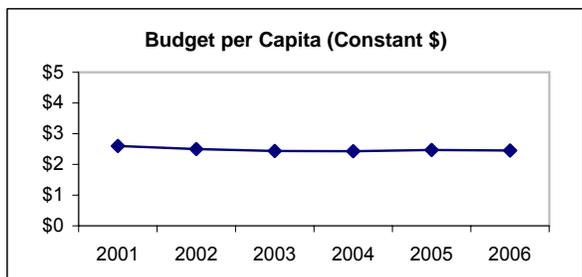
**Program:** Public Defender

**Description:** Provide for defense services for indigents charged with the violation of City criminal laws, as required by state law, through contracting with qualified attorneys.

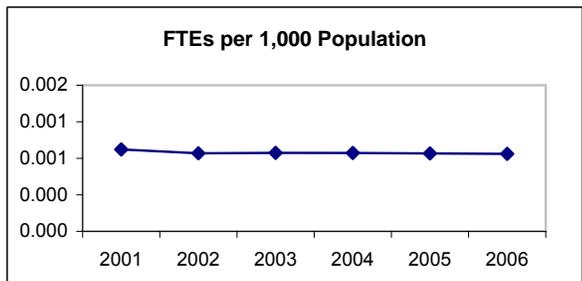
**Initiatives:** Continue to seek recoupment orders in cases involving convictions and guilty pleas to maximize recovery of public defender costs.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$290	\$300	\$298	\$305	\$318	\$325
Reserves	0	0	0	0	0	0
Total Budget	\$290	\$300	\$298	\$305	\$318	\$325
FTEs	0.1	0.1	0.1	0.1	0.1	0.1

**Historical Trends**



\*Budget per capita will remain fairly constant through 2006.



\*FTEs per 1,000 population will remain fairly constant through 2006. No changes in FTE for this program since 1995.

**1. Desired Program Outcomes:**

- A) Continue to control public defender costs by maintaining or reducing the percentage of all criminal and criminal traffic cases which are assigned to the public defender.
- B) Continue to control public defender costs by maintaining or reducing the cost per case assigned to the public defender.
- C) Continue to increase recoupment as a percentage of total program cost.

**2. Activities - Services provided to achieve outcomes:**

- A) Provide defense services for indigents charged with violation of City criminal laws.

## V. PROGRAM OVERVIEW - CITY ATTORNEY

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Maintain % of cases assigned to public defender at or below 41% from 1998	46.1%	49.0%	45.0%	41.0%	41.0%	45.0%	45.0%
B) Maintain actual cost per case assigned, in line with CPI	\$210	\$224	\$220	\$223	\$230	\$240	\$240
C) Recoupment as a % of total program costs	18.1%	14.4%	16.0%	19.5%	19.5%	18.0%	18.0%
<u>Efficiency</u>							
C) Recoupment per case assigned*	\$46.54	\$36.70	\$42.90	\$47.88	\$47.88	\$45.00	\$45.00
<u>Workload</u>							
A) Total cases assigned	1,281	1,242	1,211	1,242	1,242	1,225	1,225

### 4. Program Notes:

\*This program has experienced cost increases because of increasing contract costs. This has been somewhat offset by a significant increase in recoupment of defense costs. This trend is expected to continue through 2006.

**V. PROGRAM OVERVIEW - CITY ATTORNEY**

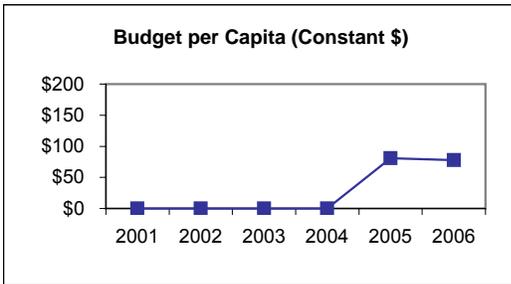
**Program:** Risk Management

**Description:** Safeguard the City's property, financial assets and human resources from the adverse impact of loss, managing the City's General Self-Insurance Program, Worker's Compensation/Safety Program and Unemployment Compensation Program.

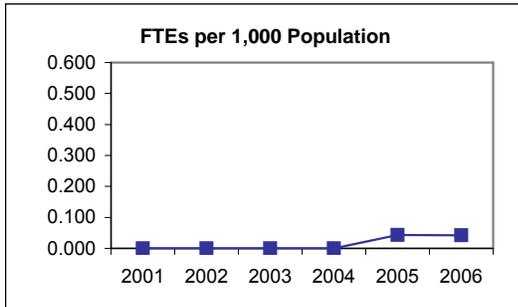
1. Partner with the Parks and Fire Departments to institute a Public Access Defibrillator Program in seven City facilities.
2. Continue to enhance the availability of information and training on the Risk Management website and via in-service training.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$0	\$0	\$0	\$0	\$3,888	\$3,996
Reserves	0	0	0	0	6,484	6,269
Total Budget	\$0	\$0	\$0	\$0	\$10,372	\$10,265
FTEs	0.0	0.0	0.0	0.0	5.0	5.0

**Historical Trends**



The history of these programs is located in the Finance Department, since Risk Management was transferred to the City Attorney's Office in January 2005. Workers' Compensation is continuing to experience increased claims. The General Self Insurance Fund continues to remain healthy. The purchase of excess liability insurance has acted to stabilize the fund in the future.



**1. Desired Program Outcomes:**

- A) Minimization of loss exposures that impact liability, workers' injuries, and other claims or losses.
- B) Maximize loss recovery for damages incurred.

**2. Activities - Services provided to achieve outcomes:**

- A) Respond to claims for losses fairly and effectively and provide employee safety programs.
- B) Pursue loss recovery activity via subrogation to reimburse the City for compensable losses.

## V. PROGRAM OVERVIEW - CITY ATTORNEY

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
All Customer Service ratings are "very good" to "excellent"	90%	94%	93%	92%	92%	92%	92%
B) % of Risk losses recovered	79%	74%	58%	75%	75%	68%	68%
A) % of Self-Insurance claims adjusted within timeliness standard	91%	94%	94%	87%	87%	90%	90%
A) % of claims filed that proceeded to litigation	3%	4%	10%	NA	NA	8%	7%

### 4. Program Notes:

Percent of claims filed that proceeded to litigation is a new measure which we gather for ICMA. Complex property damage, bodily injury and personal injury claims often are resolved in litigation rather than during the claims process. Risk Management has always worked closely with the City Attorney's Office on these complex claims and this relationship will be strengthened with Risk Management becoming a division of the City Attorney's Office in 2005.

Beginning in 2005, the Risk Division and Risk Division performance measures history were transferred from the Finance Department.

**VI. 2005-2006 CIP PLAN PROJECTS - CITY ATTORNEY**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

## CITY ATTORNEY

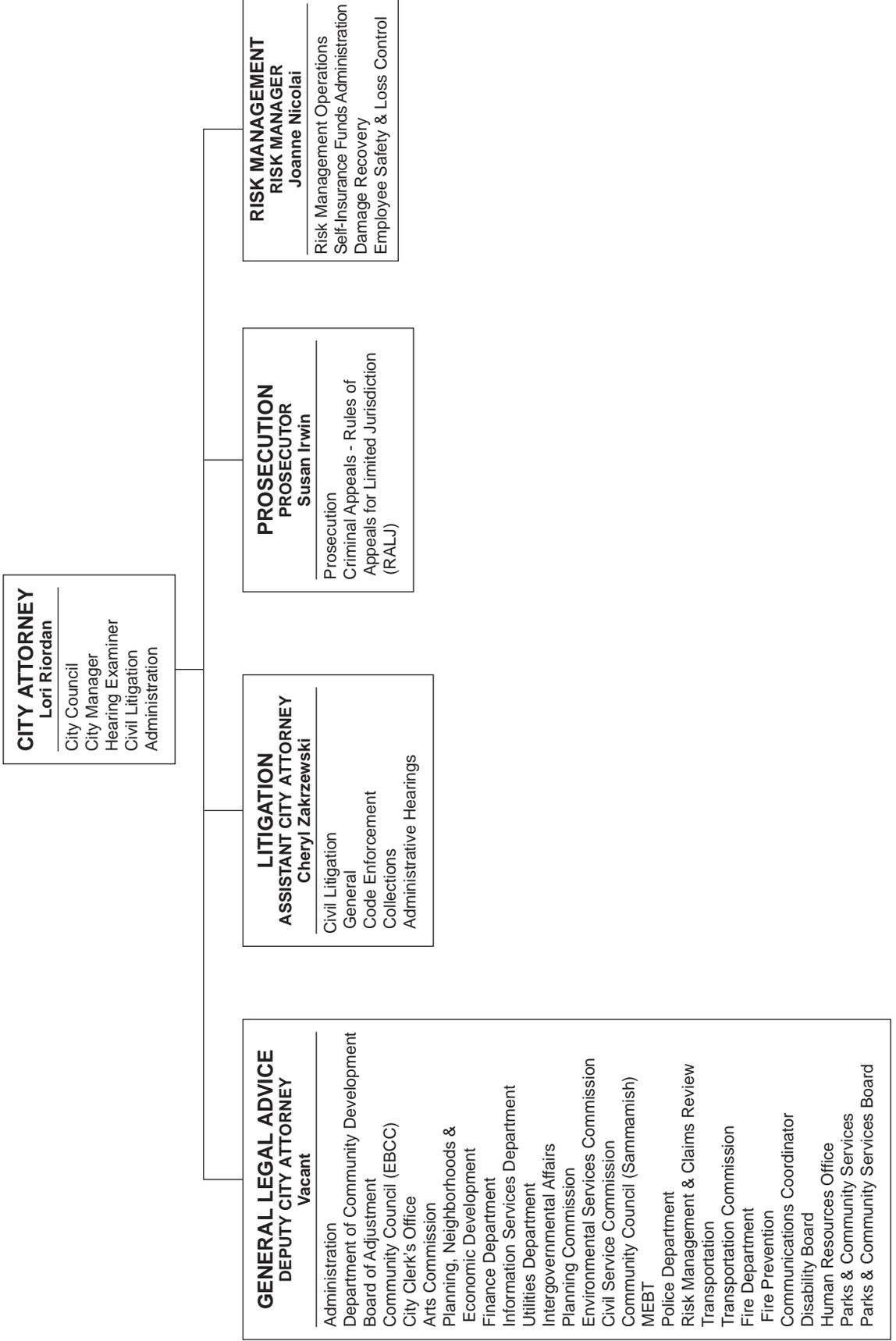
### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$0	\$6,834	\$6,834	NA
Restricted Revenues:				
Miscellaneous Revenues	0	7,017	7,017	NA
Operating Transfers	0	302	302	NA
Unrestricted Revenues	<u>4,979</u>	<u>5,078</u>	<u>99</u>	<u>2.0%</u>
Total Revenues	4,979	12,397	7,418	2.0%
<b>Total Resources</b>	<b><u><u>\$4,979</u></u></b>	<b><u><u>\$19,231</u></u></b>	<b><u><u>\$14,252</u></u></b>	<b><u><u>286.2%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$4,979	\$5,078	\$99	2.0%
Workers' Compensation	0	2,174	2,174	NA
Unemployment Compensation	0	297	297	NA
General Self-Insurance	<u>0</u>	<u>5,412</u>	<u>5,412</u>	<u>NA</u>
Subtotal Expenditures	4,979	12,961	7,982	160.3%
Ending Fund Balance	<u>0</u>	<u>6,270</u>	<u>6,270</u>	<u>NA</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$4,979</u></u></b>	<b><u><u>\$19,231</u></u></b>	<b><u><u>\$14,252</u></u></b>	<b><u><u>286.2%</u></u></b>

# CITY OF BELLEVUE

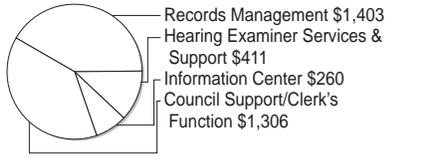
## CITY ATTORNEY



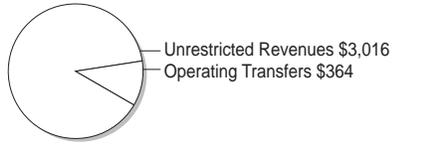
# CITY CLERK

## I. BUDGET OVERVIEW

### Expenditures



### Resources

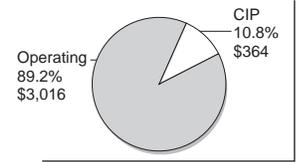


### Budget Data

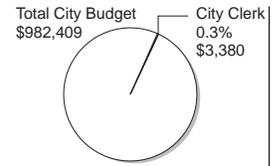
\$000

<b>2005-2006 Budget</b>	<b>\$3,380</b>
<b>Change from 2003-2004:</b>	<b>\$414</b>
<b>Change per Capita:</b>	<b>12.9%</b>
<b>2005 FTEs:</b>	<b>11.6</b>
<b>2006 FTEs:</b>	<b>11.6</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(0.4)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(4.3%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

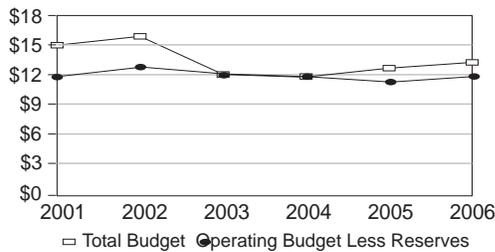


### Percent of Total Budget



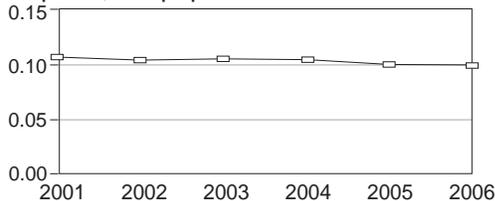
### Historical Trends

Budget per capita (constant dollars)



- The 2003-2004 budget decrease reflects postponement of acquisition/implementation for the enterprise-wide Document Management System.
- The 2005-2006 increase is attributable to re-initiation of the Electronic Document/Content Management System as a contracted solution.
- In 2005-2006 offsetting transfer of citywide mail services/postage management to Finance.
- Reduction of .44 FTE in the Hearing Examiners' Office.

FTEs per 1,000 population



- 2005-2006 FTE reduction of 0.44 FTE in the Hearing Examiners' Office.

### Significant Budget Issues

- Key drivers of the City Clerk's Office work program include increased emphasis on enhanced customer service and single-point-of-contact for City information.
- The Clerk's Office is working collaboratively with City departments to prepare for a new service delivery model for public information. As a part of this effort, the Clerk's Office is leading a pilot electronic document/content management system project that will enhance staff and public access to key records and information.

## II. MISSION & GOALS

### **Mission:**

1. To support the City Council in public policy setting and the legislative process.
2. To support the City Manager in City Administration.
3. To facilitate communication, information sharing, and enterprise-wide information/records management.
4. To provide for and support established public processes/public hearings on land use and City administrative decisions.
5. To facilitate participation by citizens in their municipal government.

### **Goals:**

1. Provide timely and responsive service to the public, City Council, City Manager, and departmental customers.
2. Facilitate open public government.
3. Improve access to public information.
4. Carry out the mission, vision and values of the organization.
5. Maximize efficiency and effectiveness of our operations.
6. Exercise stewardship, continuous improvement, and innovation in our approach to our work.

## III. 2003 - 2004 WORK ACCOMPLISHMENTS

1. Provided high level of administrative/legislative support to the City Council and East Bellevue Community Council.
2. Managed legislative and administrative processes for Charter initiative.
3. Contributed to One City/*Service First* vision through:
  - a. Posting full Council packets to the City's web site for both public and staff access
  - b. Evaluating alternative models for delivering records management in New City Hall
  - c. Completing space analysis of City-wide records needs
  - d. Contributing to spatial design of Records Center for New City Hall
4. Improved records finding efficiency through updating files classification outline, City-wide retention schedules, and naming convention/address standardization efforts.
5. Successfully completed enterprise work plan for migrating old records technologies to new efficient technologies, creating sharing opportunities between new and existing systems, and eliminating dual data entry.

6. Completed Request for Proposal, vendor selection, and began implementation of outsourced electronic document content management system.
7. Addressed issues relating to protecting private information and regulatory compliance.
8. Significantly enhanced enterprise-wide records management training program.
9. Completed Records Disaster Recovery Manual.

#### **IV. 2005 - 2006 MAJOR WORK INITIATIVES**

As a Support Services department, the City Clerk's Office routinely assists all departments in facilitating the Council decision-making process, communicating public information, records management and research, and maintaining the City's history. Work initiatives for 2005–2006 include:

1. Expand the amount of public information routinely made available to public and staff.
2. Implement Phase 1 of hosted electronic document/content management system during fall 2004-2005 and Phase 2 during 2005-2006.
3. Revise City records management policies/procedures, provide training, and assist departments in planning/preparation for moving records to New City Hall.
4. Structure enterprise-wide shared content to be available at *Service First* counter or stored in Records Center, basement storage, and contracted off-site records storage facility.
5. Finalize work plan and implement Records Center as part of *Service First*, including greater centralization of Records Management functions.
6. Enhance customer service and single-point-of-contact business model with information-at-the-fingertip technologies.
7. Assist in developing and communicating about strategic implementation plans.

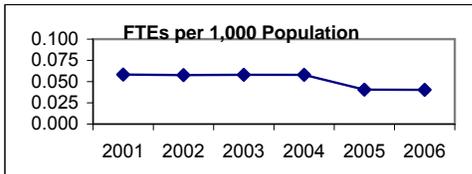
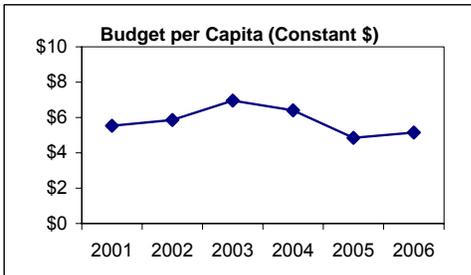
**V. PROGRAM OVERVIEW - CITY CLERK**

**Program:** Council Support and City Clerk's Official Functions

**Description:** The City Clerk's Office provides legislative and administrative support for Councilmembers and Council proceedings. This includes managing preparation for Council meetings, administering the legislative process, public notification, and legal publication of documents. The City Clerk also manages all official records of City Council actions and coordinates the Boards and Commissions appointment process.

- Initiatives:**
1. Continue to expand availability of information to staff and public through electronic access to Council meeting materials, legislation, and frequently used reference documents.
  2. Continue to enhance use of the City's web site as a communication vehicle, source of public information, and marketing tool for Bellevue.
  3. Continue to provide timely response to citizens contacting the City, including complaint resolution and tracking.
  4. Enhance the efficiency of Council meeting packet preparation through development of automated workflow.
  5. Continue to explore and recommend emerging computer technologies to improve communication and provide information to the City Council and public.
  6. Continue to enhance volunteer recruitment and recognition for Council-approved Boards and Commissions.

	2001	2002	2003	2004	2005	2005
Budget (\$000s)	\$617	\$703	\$851	\$804	\$624	\$682
Reserves	0	0	0	0	0	0
Total Budget	\$617	\$703	\$851	\$804	\$624	\$682
FTEs	6.5	6.8	6.8	6.8	4.8	4.8



**Historical Trends**

\*Budget increases over the reporting period are primarily due to the reallocation of a number of direct overhead charges to this program's budget. Responsibility for managing U.S. and interoffice mail delivery for all City departments, through use of a contract vendor, was moved from the Records Management division in 2002.

\*Budget growth in other categories within this program is at or below CPI.

\*Staffing in the City Clerk's Official Functions division decreased in 2005 with the transfer of 2 FTEs to the Records division to reflect a shift to more centralized records management as part of the Service First and Developmental Services Initiatives.

## V. PROGRAM OVERVIEW - CITY CLERK

### 2. **Activities - Services provided to achieve outcomes:**

- A) Continue to administer customer service level surveys to track customer satisfaction.
- B) Provide enhanced response to citizens, complaint resolution, and tracking.
- C) Explore ways to convey more concise, valuable, and current information to Council and the public.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) % rating customer service "good" or "excellent"	NA	100%	86%	92%	92%	92%	92%
A) % citizen issues responded to within 10 days *	70%	78%	80%	75%	75%	80%	80%
A) % issues tracked to resolution	99%	97%	100%	95%	95%	95%	95%
C) % of targeted Council records available on Inter/Intranet **	20%	28%	40%	35%	40%	60%	60%
<u>Efficiency</u>							
B) % packets delivered to Council 4 days before meeting	98%	91%	85%	98%	98%	98%	98%
B) % minutes presented for Council approval within 2 weeks	80%	83%	89%	90%	90%	90%	90%
<u>Workload</u>							
B) Number of Council meetings per year	47	54	53	52	52	50	50
B) Number of Council agenda items analyzed and scheduled in packet	528	449	496	500	500	500	500
B) Number of pages of Council minutes prepared	488	540	556	520	520	520	520
C) Number of contracts and documents processed	1,770	1,906	1,707	1,500	1,500	1,500	1,500

### 4. **Program Notes:**

This program represents 39% of the City Clerk's Office budget and 41% of its staff.

Budget increases from 2001 through 2004 are primarily attributable to changes in accounting methodology for direct overhead charges, inflation, and transfers of responsibility for interoffice and U.S. mail management/postage from the Records Management division. The budget decrease for 2005 reflects shifts in staffing to another division and responsibility for mail services to the Finance Department.

Mail Room Services performance measure history was transferred to the Finance Department in 2005.

\* The Council Office staff coordinate assignments, monitor departments' responses to citizen questions/concerns, and report on performance within the ten-day target, but individual departments are responsible for actual response times.

\*\* In an effort to expand the amount of Council-related information made available to the public and staff electronically.

**V. PROGRAM OVERVIEW - CITY CLERK**

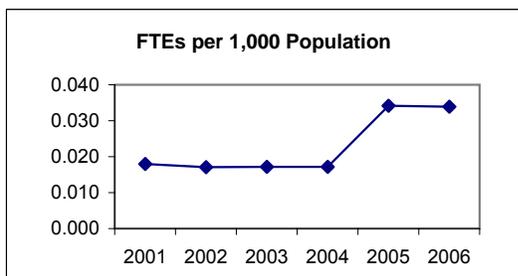
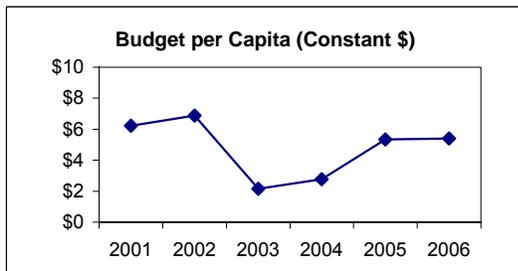
**Program:** Records Management

**Description:** The Records Management Division manages Citywide records management policies and procedures and coordinates departments' management of active, inactive, and historical records, both in electronic and other formats. This program's charge includes managing public disclosure, regulatory compliance, consulting with departments on records management needs, record keeping technologies, and business process improvements.

- Initiatives:**
1. Lead enterprise-wide development efforts for effective implementation of the Enterprise Content Management (ECM) system.
  2. Support Information Technology Governance Committee (ITGC) with technical research and evaluation of systems, compliance with records management regulations, development of standards and policies, and sound records management processes.
  3. Conduct enhanced training for all departments on public disclosure and electronic records management.
  4. Update and compile all City records management policies, procedures, and recommendations into comprehensive policies and procedures manual.
  5. Complete and maintain Vital Records Disaster Recovery Program for the City.
  6. Continue to assist departments with identification and implementation of new records management technologies where these technologies are identified as efficiency, effectiveness, and compliance improvements.

Budget (\$000s)  
Reserves  
Total Budget  
FTEs

2001	2002	2003	2004	2005	2006
\$694	\$826	\$263	\$348	\$688	\$715
0	0	0	0	0	0
\$694	\$826	\$263	\$348	\$688	\$715
2.0	2.0	2.0	2.0	4.0	4.0



**Historical Trends**

\*The Records Management division's budget trends between 2003 and 2006 reflect:

- Postponement of the acquisition and implementation of the enterprise-wide Document Management System in 2003;
- Transfer management of U.S. and interoffice mail delivery for all City departments to the Clerk's Official Functions division in 2003;
- Decision to move forward with a pilot outsourced document management system in 2004.

\*Transfer of 2.0 FTEs from the City Clerk's Official Functions to Records Management division in 2005.

\*Staffing of the Records Management function remained stable through 2004.  
\*In 2005, staffing increased by 2.0 FTEs to reflect a shift towards more centralized records management for the City.

## V. PROGRAM OVERVIEW - CITY CLERK

### 1. **Desired Program Outcomes:**

- A) Manage records and information management program in accordance with State law and City policies and procedures.
- B) Recommend emerging technologies to improve efficiency/effectiveness of records management.
- C) Manage Citywide essential records and disaster recovery program.
- D) Manage Citywide records management system for archived, non-electronic records.
- E) Continue to lay groundwork for implementing document management system as a core enterprise technology to be implemented following the Finance/Human Resources System.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Complete Citywide inventory of active files and convert to State retention schedule.
- B) Analyze emerging computer technologies that may prove cost-effective in meeting departments' records needs.
- C) Update essential records program for all City departments.
- D) Continue to consult with departments on their records management needs and assist with developing electronic records strategies business process improvements.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
C) Update essential records prgm	25%	70%	75%	90%	90%	100%	100%
E) % pilot program records available on	*	*	*	NA	10%	50%	75%
E) % of records oriented staff trained on Records Management Software	*	*	*	60%	100%	100%	100%
E) % of all staff trained on ECM document retrieval	*	*	*	*	5%	55%	55%
<u>Efficiency</u>							
A) % public disclosure responses within 5 days	98%	100%	100%	100%	100%	100%	100%
B) % of current document centric business practices evaluated and ECM improvements applied	*	*	*	*	5%	20%	35%
<u>Workload</u>							
A) Number of public disclosure requests processed	126	229	253	250	250	250	250
D) Number of records retrieval requests	2,414	3,255	2,565	2,500	2,500	2,500	2,500
A) % of department/division record process analyzed for regulatory compliance *	70%	92%	100%	NA	70%	80%	90%
E) Number of records scanned in preparation for ECM	N/A	N/A	N/A	NA	75,000	200,000	300,000
E) Number of document types set up for ECM implementation	N/A	N/A	N/A	NA	14	36	125
A) Number of cartons managed in off-site storage	*	*	14,081	NA	13,204	11,000	8,000

- \* Analysis process reinitiated for adherence to New Regulatory Standards. The advent of new standards, including accreditation requirements and legislative changes required reanalysis of departments' regulating compliance.

## **V. PROGRAM OVERVIEW - CITY CLERK**

### **4. Program Notes:**

This program represents 42% of the City Clerk's Office budget and 35% of its staff.

The major focus of the Records Management Division in 2005 will be managing records aspects of the move to New City Hall and implementation of the outsourced document/content management system.

The Records Management program budget reflects a shift associated with the implementation of the ECM system. Staffing requirements are expected to increase to meet the citywide objectives of records centralization services, along with added professional training. The majority of the added FTE requirements will be achieved by realignment and reorganizing FTEs from old technology practices into new position requirements through professional training of staff. In 2005, 2.0 FTEs were transferred from the City Clerk's Official Function division to Records Management. An additional two FTEs will be realigned from PCD into the Records Management unit. These FTEs bring record support with them for the newly formed Development Services program which will be located immediately adjacent to the Records Center in New City Hall. An additional FTE will be sought to further enhance the expected growth and demand of the Service First and centralization of the city records. Efforts for training, integration, and identification of business practice improvement opportunities are ongoing.

The off-site records storage program initiated in late 1992 through a commercial vendor has grown to more than 15,000 cartons. The access activity reflects that these records are not inactive, but an extension of active records storage requirements. In an effort to contain and reduce the growing costs of offsite storage and provide better, more immediate access, deliberate and strategic conversion of active files to electronic access within the ECM and utilization of High Density Storage for frequently accessed paper records is occurring. These will be long-term solutions for addressing emerging records management needs which will be implemented over several years.

The Records Management program will continue to focus efforts on systematic, enterprise-wide efficiencies which will benefit all users and meet regulatory requirements using best business practices and technologies.

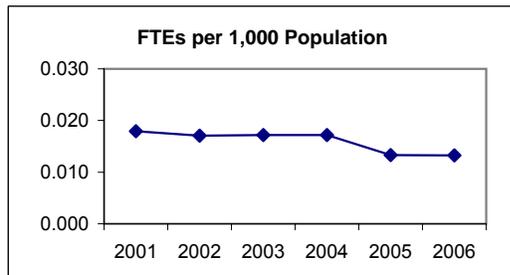
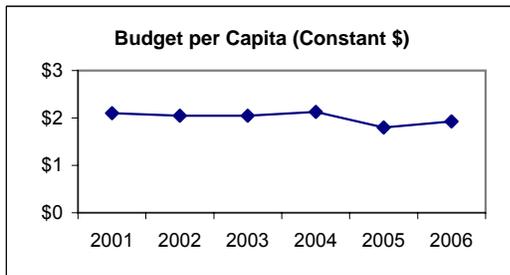
**V. PROGRAM OVERVIEW - CITY CLERK**

**Program:** Hearing Examiner Services and Support

**Description:** The City Clerk manages contracts with four attorneys who act as independent Hearing Examiners in quasi-judicial land use and administrative matters on behalf of the City Council. The Hearing Examiners conduct open public hearings to determine facts and hear arguments. They then make decisions or recommendations to the City Council, depending upon the type of matter heard. All administrative staff support for the Hearing Examiners, including management of the official public record, is provided by the Hearing Examiner's Office.

**Initiatives:** Continue to improve public understanding and awareness of the Hearing Examiner's process and procedures.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$234	\$246	\$237	\$242	\$199	\$212
Reserves	0	0	0	0	0	0
Total Budget	\$234	\$246	\$237	\$242	\$199	\$212
FTEs	2.0	2.0	2.0	2.0	1.6	1.6



**Historical Trends**

\*The Hearing Examiner budget remains relatively stable through 2004.

\*The budget decrease in 2005 reflects a staff reduction noted below.

\*Staffing of the Hearing Examiner's Office remained constant thru 2004.

\*The 2005-2006 budget reflects a staff reduction of .44 FTE.

**1. Desired Program Outcomes:**

- A) Provide a public hearing forum for quasi-judicial land use and administrative matters on behalf of the City Council.
- B) Improve public understanding and awareness of the Hearing Examiner process and procedures.

**2. Activities - Services provided to achieve outcomes:**

- A) Update informational brochure for citizens relating to matters heard by Hearing Examiners.
- B) Expand historical tracking system to assist research on previously heard matters.
- C) Continue to improve timeliness of Hearing Examiner decisions/recommendations.

## V. PROGRAM OVERVIEW - CITY CLERK

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<u>2001</u> <u>Actual</u>	<u>2002</u> <u>Actual</u>	<u>2003</u> <u>Actual</u>	<u>2003</u> <u>Target</u>	<u>2004</u> <u>Target</u>	<u>2005</u> <u>Target</u>	<u>2006</u> <u>Target</u>
<u>Effectiveness</u>							
A) Number of Hearing Examiner land use decisions appealed to Council	0	0	1	2	2	2	2
A) Number of Hearing Examiner land use decisions amended or overturned by Council	0	0	1	1	NA	NA	NA
<u>Efficiency</u>							
B) % of Hearing Examiner decisions delivered within 10 days	98%	99%	99%	97%	100%	100%	100%
B) Number of continued or reopened hearings	3	3	6	4	4	2	2
<u>Workload *</u>							
A) Number of land use matters heard	8	16	10	12	10	10	10
A) Number of appeals of administrative matters heard	10	11	6	10	10	10	10
B) Number of pages of verbatim public testimony transcribed	573	1,372	691	2,000	1,000	1,000	1,000
B) Average number of matters heard per Hearing Examiner	96	87	119	70	70	84	84
B) Number of contract Hearing Examiners	4	4	3	4	4	5	5
All Estimated number of parties of record notified (includes multiple mailings)	1,800	1,900	1,826	2,000	2,000	2,000	2,000
A) Number of sign code violations processed	339	299	319	260	200	300	260
A) Number of other civil violations processed	25	20	23	12	12	15	15
A) Number of administrative appeals to Superior Court	1	2	1	3	3	1	1

### 4. Program Notes:

This program represents 11% of the City Clerk's Office budget and 13% of its staffing.

The Hearing Examiner's Office continues to manage Hearing Examiner services through use of contract attorneys, which has proven both efficient and cost effective. Contracting out Hearing Examiner services began in 1989.

Under Regulatory Reform, the contract Examiners were given greater decision-making responsibility; in addition, they are now being assigned a broader array of appeal matters and code enforcement actions including sign code enforcement and street latecomer agreements.

\* Numbers of matters before the Hearing Examiners is difficult to forecast in advance because they are regularly initiated by outside parties. 2005-2006 targets have been established based on trends experienced in prior years.

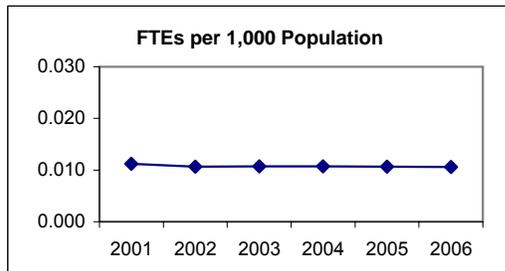
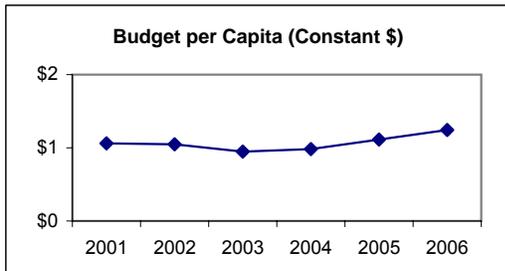
**V. PROGRAM OVERVIEW - CITY CLERK**

**Program:** Information Center

**Description:** The Information Center provides centralized reception for callers and drop-in visitors seeking information and referrals to appropriate departments or staff. They also coordinate volunteer recruitment, training, and supervision efforts; coordinate bulk mailings; assist departments with clerical projects; and prepare and publish "Clip Sheets", the Employee Directory and Community Register.

- Initiatives:**
1. Automate the Employee Directory, Community Register, and Clip Sheets to provide organization-wide electronic access and reduce printing costs.
  2. Continue to enhance volunteer recruitment and recognition.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$118	\$126	\$110	\$112	\$123	\$137
Reserves	0	0	0	0	0	0
Total Budget	\$118	\$126	\$110	\$112	\$123	\$137
FTEs	1.3	1.3	1.3	1.3	1.3	1.3



**Historical Trends**

\*The Information Center's budget reflects slight variations due in part to changes to method of charging direct overhead costs and inflation, offset by cost control efforts.

\*Staffing remains constant through 2006.

**1. Desired Program Outcomes:**

- A) Continue high quality customer service and referrals to enhance responsiveness to their questions/concerns and public access to information.
- B) Provide low cost clerical assistance to departments for large, routine tasks.
- C) Decrease Citywide postage costs through greater use of bulk mail service.

**2. Activities - Services provided to achieve outcomes:**

- A) Improve use and scheduling of bulk mail services by departments.

## V. PROGRAM OVERVIEW - CITY CLERK

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) % of customers rating quality of service "very good" or "excellent"	98%	98%	100%	98%	98%	98%	98%
B) \$ savings on clerical assistance for special projects	\$27,116	\$26,635	\$27,641	\$32,000	\$32,000	\$32,000	\$32,000
B) Number of hours of special project assistance to departments	1,887	1,241	1,150	2,700	2,000	2,000	2,000
B) Percentage of volunteer retention	86%	87%	80%	85%	85%	85%	85%
<u>Efficiency</u>							
C) % bulk mail projects completed within department timeline	100%	100%	100%	100%	100%	100%	100%
<u>Workload</u>							
A) Number of volunteer hours at Information Center	1,887	1,854	1,924	2,300	2,300	2,300	2,300
A) Number of walk-in customers	23,966	21,975	22,207	25,000	25,000	25,000	25,000
A) Number of telephone calls responded to	24,841	20,736	20,077	24,000	24,000	24,000	24,000
C) Number of pieces of bulk mail (in 000s) processed	111	171	178	150	150	150	150
C) Number of bulk mailing projects	90	86	83	100	100	100	100
A) Number of customers referred to departments and/or services	49,807	43,366	42,284	50,000	50,000	50,000	50,000
A) Number of general electronic inquiries from City website *	197	463	450	1,300	1,820	1,000	1,000

### 4. Program Notes:

This program represents 8% of the City Clerk's Office budget and 11% of its staffing.

The Information Center allows for timely and accurate referrals and responses to public inquires. Expanded staffing of the Center through the use of volunteers allows clerical assistance to departments and bulk mailing to be coordinated at relatively low cost to the City.

The Information Center staff is assisted by 12 to 15 volunteers who work two to three hour shifts each week. Many of the Information Center volunteers have worked there for several years, attesting to their dedication and the positive work environment. This strong and successful volunteer program reflects well on City residents' public service spirit and encourages others to volunteer.

\*The decrease in the 2005-2006 target for general electronic inquiries from the City website are reflective of actual activity in prior years. Actual activity was not as high as anticipated.

During 2005, the Information Center work program and staffing will be transferred to *Service First* as we prepare to move to New City Hall.

**VI. 2005-2006 CIP PLAN PROJECTS - CITY CLERK**

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

**GENERAL GOVERNMENT**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
G-57	Document/Content Management System	AB	\$364	\$614
TOTAL GENERAL GOVERNMENT			\$364	\$614

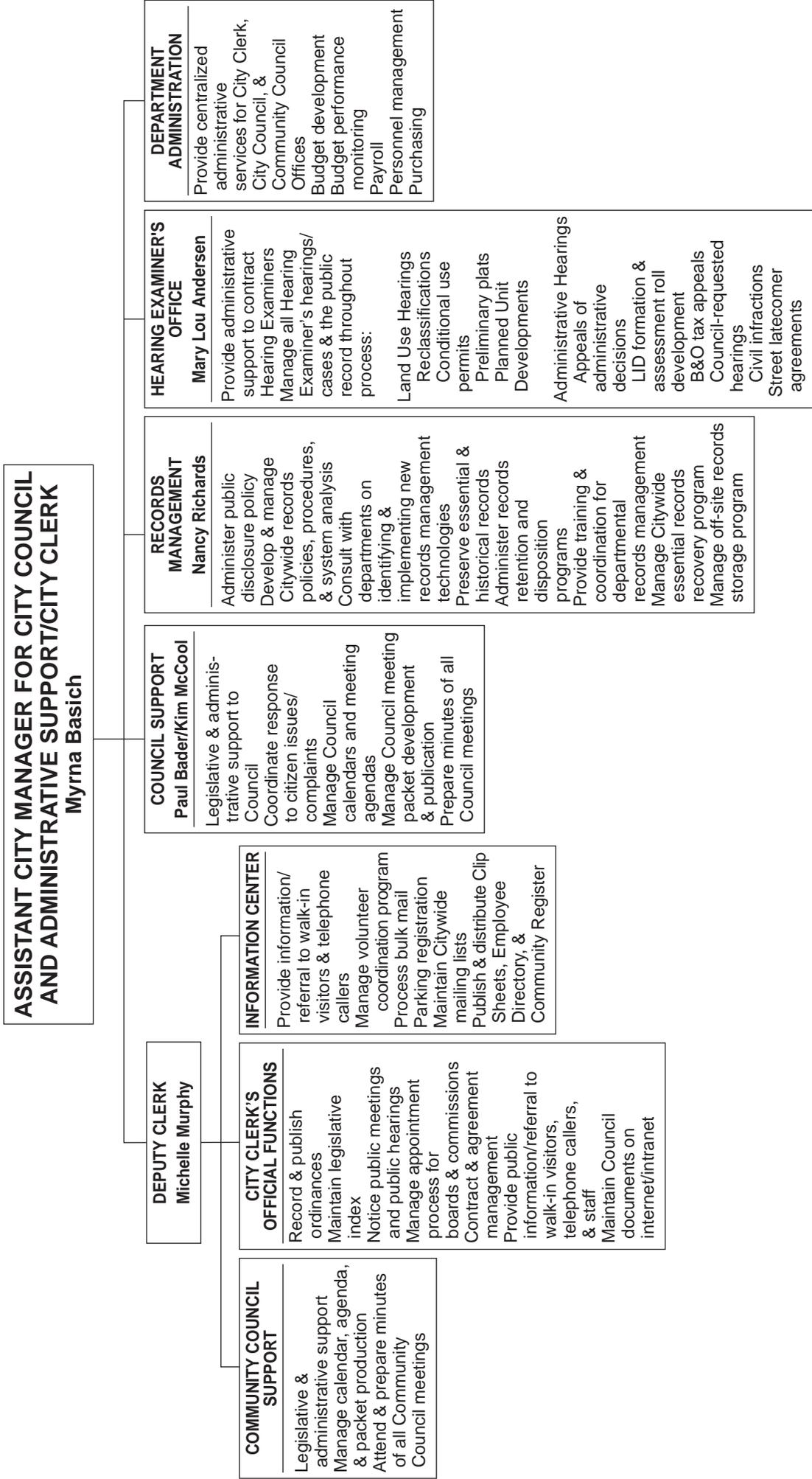
Project Status Key:  
 AB = Approved and Begun                      O = Ongoing  
 ANB = Approved and Not Begun              N = New

**CITY CLERK**  
**FINANCIAL SUMMARY**  
 \$000

<b><u>Resources by Source</u></b>	<b>COMPARISON</b>			
	<b><u>2003-2004 Budget</u></b>	<b><u>2005-2006 Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
Beginning Fund Balance	\$0	\$0	\$0	0.0%
Restricted Revenues:				
Operating Transfers	289	364	75	25.9%
Unrestricted Revenues	<u>2,677</u>	<u>3,016</u>	<u>339</u>	<u>12.7%</u>
Total Revenues	2,966	3,380	414	14.0%
<b>Total Resources</b>	<b><u><u>\$2,966</u></u></b>	<b><u><u>\$3,380</u></u></b>	<b><u><u>\$414</u></u></b>	<b><u><u>14.0%</u></u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$2,945	\$3,016	\$71	2.4%
Capital Investment:				
General CIP Fund	<u>21</u>	<u>364</u>	<u>343</u>	<u>1628.1%</u>
Subtotal Expenditures	2,966	3,380	414	14.0%
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$2,966</u></u></b>	<b><u><u>\$3,380</u></u></b>	<b><u><u>\$414</u></u></b>	<b><u><u>14.0%</u></u></b>

# CITY OF BELLEVUE

## CITY CLERK'S OFFICE





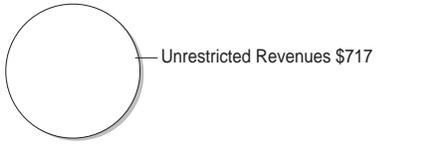
# CITY COUNCIL

## I. BUDGET OVERVIEW

### Expenditures



### Resources

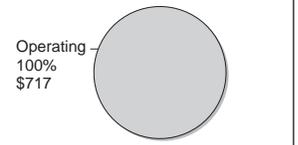


### Budget Data

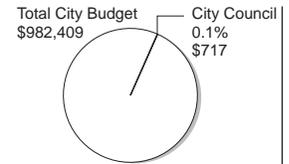
\$000

2005-2006 Budget	\$717
Change from 2003-2004:	\$39
Change per Capita:	5.2%
2005 FTEs:	7.0
2006 FTEs:	7.0
FTE Change from 2004 to 2005:	0.0
FTE Change from 2005 to 2006:	0.0
FTE Change per Thousand 2004 to 2005:	(0.7%)
FTE Change per Thousand 2005 to 2006:	(0.5%)

### Summary by Budget Type

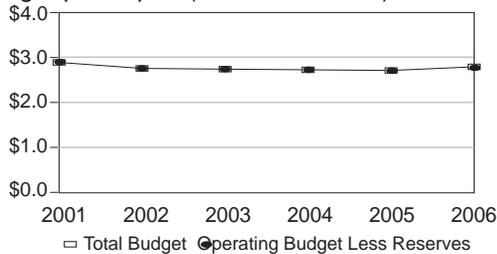


### Percent of Total Budget



### Historical Trends

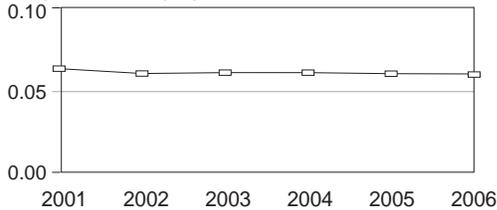
Budget per capita (constant dollars)



In this case, Operating Budget Less Reserves is equal to the Total Budget.

- City Council budget has remained relatively steady over the represented years.

FTEs per 1,000 population



- City Council FTEs remain constant at 7.0.

### Significant Budget Issues

- Legislative and administrative support for the City Council and their proceedings is provided by the City Clerk's Office.
- Council compensation is set by Ordinance No. 5163 and, under State law, no increase or decrease in compensation can apply to an incumbent during the term being served. Current monthly salary levels held by the Mayor, Deputy Mayor and Councilmembers were established at the recommendation of the 1999 citizen-based Council Compensation Task Force.

## II. MISSION & GOALS

The City Council is charged with promoting the health, welfare and safety of people living in, working in or visiting Bellevue. The City Council's mission is to provide high-quality services and facilities that meet the needs of the community through accessible, proactive leadership and governance.

The City Council has enunciated the following goals and underlying principles that guide their work:

- Protect the livability and vitality of all the City's neighborhoods
- Maintain a vital downtown
- Work together with citizens and community groups to solve Bellevue's problems
- Provide quality and responsive City services and infrastructure to ensure public safety
- Respond to the needs of youth and families
- Improve transportation systems
- Maintain an attractive and clean City
- Protect and enhance our natural environment
- Manage the City's finances prudently
- Provide regional leadership and cooperation.

## III. 2003-2004 WORK ACCOMPLISHMENTS

### Neighborhoods

- Allocated \$6.5 million in funding to Neighborhood Investment Strategy (NIS) launched in 2001 to preserve neighborhood character and quality through grassroots citizen involvement and coordinated City services. Initial projects are reaching final implementation
- Named 2003 recipient of the James C. Howland Gold Award for Urban Enrichment, sponsored by the National League of Cities and CH2M Hill
- Received 2003 Savvy (first place) Award for Outstanding Citizen Involvement Program and Silver Circle (second place) award for Excellence in Service Delivery
- Completed \$1.3 million in Neighborhood Enhancement Program (NEP) improvement projects in 2003
- Completed comprehensive evaluation of NEP program and implemented policy and programmatic improvements
- Neighborhood Liaison team responded to 2,492 requests for neighborhood assistance
- Completed 100 home and neighborhood improvement projects through the SPIN (a Special Partnership Investing in Neighborhoods) collaboration with Crossroads area merchants and citizens.

### Community Outreach

- Implemented ListServe technology to distribute timely information on emerging neighborhood issues to subscribers
- Continued to foster development of new neighborhood associations
- Enhanced the City's website for easier navigation, expanded neighborhood outreach, and improved access to public information
- Improved outreach to diversity community, including implementation of a Spanish-language web site and training for translators
- Celebrated ten-year anniversary of Crossroads Mini City Hall as a neighborhood service center for Bellevue's most diverse community
- Published 12 issues of *Neighborhood Focus*, the center section of *It's Your City* and 24 issues of *Neighborhood News*, a monthly newsletter and calendar for active residents
- Published *Bellevue by the Numbers*, a community services calling guide, to facilitate access to City services
- Initiated video-streaming of City Council meetings and online City Council meeting packets.

### Transportation

- Completed Access Downtown project in late 2004, ahead of schedule and under budget
  - NE 8<sup>th</sup> overpass rebuilt
  - NE 4<sup>th</sup>/6<sup>th</sup> project including construction of direct access HOV ramp opened in December 2004
  - Successful partnership with WSDOT and Sound Transit
- Fostered support for I-405 preferred alternative and assisted in securing \$485 million from the State legislature
- Sustained support for I-90 two-way transit/HOV project and assisted in securing funds for implementation from state and federal sources
- Completed 26 transportation CIP projects, expending over \$43 million on construction, including:
  - Richards Road Phase II
  - SE 8<sup>th</sup> Reconstruction
  - Meydenbauer Bridge Replacement
  - Lake Washington Boulevard Sidewalks
  - Factoria Boulevard – SE 41<sup>st</sup> PI to 3600 Block
  - SE Eastgate Way/150<sup>th</sup> SE
  - Transit Neighborhood Links at 112<sup>th</sup>
  - Cougar Mountain Way Improvements
  - NE 20<sup>th</sup> St – 140<sup>th</sup> Ave to 148<sup>th</sup> Ave
  - 156<sup>th</sup> Corridor Improvements
  - SE 28<sup>th</sup> Street Extension & BCC Parking Lot
  - 2003 & 2004 Street Overlay projects
- Completed 2 Neighborhood Investment Strategy transportation projects within West Lake Hills
- Completed 13 neighborhood traffic calming projects
- Completed 10 transportation-related Neighborhood Enhancement Program projects
- Completed the Downtown Plan Update, including recommendations for Comprehensive Plan Amendments, and initiated implementation of the NE 10<sup>th</sup> Street Extension
- Initiated update of Factoria Area Transportation Study including integration with bus rapid transit
- Completed the BROTS N-S Corridor Study in cooperation with Redmond
- Completed the 148<sup>th</sup> Mobility Improvement Project and the Eastgate/I-90 Corridor Study
- Completed the Bellevue Transit Plan which received the Honor Award from the WA APA/PAW
- Prepared the “Streets That Work” manual and Transportation Design Manual
- Completed the state-funded Eastside Concurrency Study
- Finalized a new interlocal agreement with Kirkland and Redmond to obtain their financial support for ongoing travel demand modeling work by Bellevue staff
- Completed the Residential Flex Pass Demonstration, the Club R and Trip Reduction Incentive Programs
- Began implementing the city’s Intelligent Transportation System Plan with transit signal priority at 148<sup>th</sup> Avenue NE/NE 8<sup>th</sup> Street and 156<sup>th</sup> Avenue NE/NE 8<sup>th</sup> Street
- Successfully concluded refranchising with Puget Sound Energy for electrical and natural gas service
- Negotiated cable television franchise agreement with Comcast that addresses community needs, including funds for the City’s cable television station, and concurrently updated the City’s cable television code.

Public Safety

- Continued planning and development of new consolidated Public Safety facility
- Achieved re-accreditation of Fire Department
- Initiated accreditation process for Police Department.

Parks and Open Space

- Finalized planning and began construction of South Bellevue Community Center/Eastgate Park
- Finalized planning and began construction of Lewis Creek Park
- Approved enhancements to Crossroads Park, including picnic shelter construction, design for the Community Center expansion, agreement with Bellevue Breakfast Rotary to construct a water park, and design of a skate park
- Acquired several key properties for future park development, including the purchase of the Lakewood property from the Bellevue School District, the McTavish open space, and the Hendrichs and Kim properties along Meydenbauer Bay. Collectively, these acquisitions added over 50 acres to the Bellevue Parks & Open Space System, and were acquired by leveraging City CIP funding with over \$2.0 million in external funding sources.
- Completed CIP projects include:
  - a major new picnic shelter at Crossroads Community Park
  - renovation of the Highland Middle School athletic fields in partnership with the Bellevue School District
  - construction of a viewing pavilion at the Bellevue Botanical Garden using funds donated by the Tateuchi Foundation
  - improvements to the Paxton House/Eastside Heritage Center using state grant funds
  - relocation and improvement of the Bellefields Yard Maintenance Facility to help address long-standing space shortages for Parks crews.
- Adopted the Parks and Open Space System Plan which will determine the future direction for the Parks and Open Space System and provide additional grant opportunities for the City
- Successfully implemented the Class Registration and Scheduling System for program registration and facility booking, giving citizens online access to the full range of Parks programs and facilities
- Worked with other E-gov Alliance cities in an ongoing effort to improve access to parks and recreation services through web-based technology tools for citizens throughout the region.

Human Infrastructure

- Continued to leverage the work of existing human services agencies/providers
- Continued partnership with ARCH to develop affordable housing in the region
- Considered developmental assets findings in developing programs for youth
- Participated in the Eastside Human Services Forum in cooperation with other cities, the county, non-profit agencies, school districts, and healthcare organizations. Through the Forum, Bellevue monitored the work of the King County Task Force on Regional Human Services and provided regular input to the Task Force.
- Completed another systematic and comprehensive update on the human services needs of Bellevue residents
- Served as lead in a pooled funding pilot project with six other Eastside jurisdictions.

### Economic Vitality

- Adopted major 10-year update to the Comprehensive Plan, including updated development strategy, new growth targets, more relevant Economic Element
- Completed Downtown Implementation Plan with projects and strategies to serve the next 20 years of Downtown growth
- Processed several high-profile Comprehensive Plan amendments and Land Use Code amendments to fine-tune development policies and regulations (examples include: Downtown skybridges, mid-block pedestrian retail, wireless deployment)
- Continued work on revitalizing neighborhood shopping centers, including successful neighborhood mediation effort to establish preferred redevelopment concept for Lake Hills Shopping Center and Kelsey Creek Shopping Center Stream reach study
- Managed adoption of the four-party Agreement for the Coordinated Planning of NE 10<sup>th</sup> Street Extension and Overlake Hospital Medical Center Expansion
- Adopted the new State Building Code (the International Building Codes) through a collaborative effort with nine Eastside cities creating a common adoption ordinance
- Expanded the number of permits available on-line at the MyBuildingPermit.com web site and available code information posted on the site
- Completed a series of milestones and began construction on the New City Building, which will become a civic anchor and activity generator for Downtown
- Completed a feasibility study on a potential Port of Seattle investment in the expansion of Meydenbauer Center. Adopted a Memorandum of Understanding regarding the scope and terms for Port participation
- Worked with a consortium of business, government, and academic institutions to build the Bellevue Entrepreneur Center
- Continued to work with the Bellevue Economic Partnership on a variety of business recruitments
- Assisted the Bellevue Farmers' Market to establish a successful first year of operation
- Continued major progress on Development Services Initiative, streamlining permit review processes for faster more predictable services for homeowners and commercial builders.

### Technology

- Extended high speed data network to all City satellite offices (net savings of \$111K per year)
- Introduced spam filtering to reduce the amount of unwanted and undesirable e-mail
- Designed and implemented the Economic Development Web Site which facilitates business relocation and retention for Bellevue and the region
- Implemented the Neighborhood Outreach Portal which provides residents with easy access to information about projects and happenings in their neighborhood
- Implemented on the City's Internet the Geographic Information Web Browser creating an interactive access to a myriad of detailed City information in a spatial format
- Expanded on-line building permits to include new types of permits available on-line
- Expanded interactive voice recognition services to Development Services Improvement (DSI) clients
- Implemented the financial components of the new Finance and HR system project (ERP)
- Implemented the new Customer Information System (City-wide Utility Billing system)
- Implemented the registration module for Parks which includes online registration via our Internet
- Implemented Interactive Voice Recognition (IVR) to allow permit inspection requests via telephone
- Completed the installation of Mobile Data Units in Public Safety vehicles to access information wirelessly
- Worked with several other cities on a joint Ortho Photo project.

### Cultural Infrastructure

- Completed Cultural Compass, a 10-year strategic vision for achieving the Council priority of establishing Bellevue as the cultural hub of the Eastside
- Initiated the largest-ever public art project as part of redevelopment of the New City Hall
- Continued sponsorship/support of community festivals such as the 24-Hour Relay, Family Fourth (of July), Crossroads Egg Hunt, Arts & Crafts Fair
- Staged 50Fest, Bellevue's 50<sup>th</sup> anniversary celebration
- Completed Citizen Advisory Committee evaluation of private proposals to construct a performing arts center
- Endorsed Performing Arts Center Eastside plan to develop a privately funded Eastside performing arts center
- Staged biennial sculpture exhibition, increasing community outreach and the quality of the art work displayed
- Leveraged grant funding for 30 arts organizations working in Bellevue
- Incorporated public art into transportation improvements at Factoria Boulevard and 140<sup>th</sup> Avenue NE and SE.

### Regional Leadership

- Provided leadership to achieve an interlocal agreement with seven other cities and water districts to purchase water from the Cascade Water Alliance, which formed to take control of and build ownership in the future water supply system
- Furthered work of Cascade Water Alliance and sought additional future water supply through Lake Tapps agreement
- Developed watershed-based approach to respond to Endangered Species Act
- Influenced GMPC decisions on population and housing targets
- Continued Bellevue's influence in regional transit decision making by maintaining a seat on the Sound Transit Board
- Achieved regional consensus to move ahead with I-90 two way/25-hour HOV lanes
- Assumed a portion of Coal Creek Utility District
- Acquired Eastgate Park from King County, which enabled the City to move forward with a long planned South Bellevue Community Center
- Provided leadership to initiate the Eastside Human Services Forum, which fosters strong public/private partnerships to assure a stable network of health and human services for the benefit of East King County residents.

### Other accomplishments

- Maintained Aaa bond rating
- Maintained current tax levels, with no property tax increase in seven years
- Charter initiative reaffirmed current form of government and stimulated interest and participation in local government
- New City Hall purchase and redevelopment
- Continued improvements to the City's permitting and inspection programs
- New solid waste contract negotiated savings of \$1.5 million annually and \$23.5 million over the life of the contract
- Utilities Department awarded accreditation by American Public Works Association
- Enhanced security of Bellevue's utilities and other core facilities
- Refunded bonds to achieve interest rate savings.

**IV. 2005-2006 MAJOR WORK INITIATIVES**

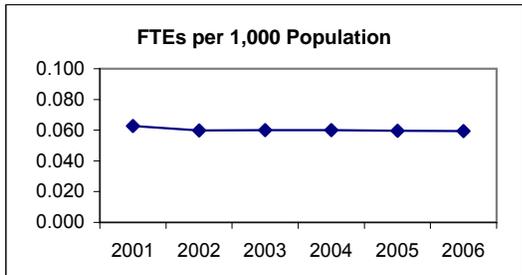
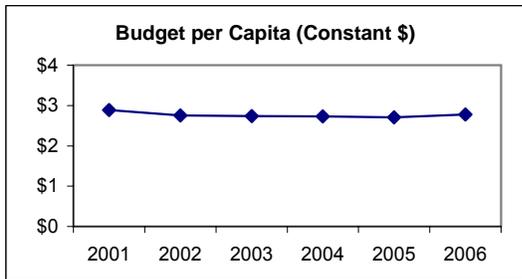
- Neighborhood Investment Strategy
- Community Outreach
- Human Infrastructure
- Economic Vitality
- Transportation
- Public Safety
- Parks and Open Space
- Technology
- Cultural Infrastructure
- Regional Leadership and Collaborations
- Civic Center/Public Safety Facility
- Development Services Initiative
- Cascade Water Alliance
- Promote City's legislative agenda at federal, state and local levels

**V. PROGRAM OVERVIEW - CITY COUNCIL**

**Program:** Legislative

**Description:** The City Council is charged with protecting, enhancing, and promoting the health, welfare, and safety of Bellevue citizens by providing high-quality services and facilities that meet the needs of the community. They establish laws and policies for the City through study and adoption of legislation. Among the primary duties of the Council are review and adoption of the operating budget to fund City services and programs, and review and adoption of the Capital Investment Program (CIP) Plan to fund City infrastructure. City Councilmembers meet with residents, citizens groups, and business leaders to hear concerns and resolve problems, and oversee a wide-ranging agenda for the community. They also represent Bellevue citizens' interests by serving on local and regional bodies such as regional committees established by the Metropolitan King County Council and Sound Transit Board, and on state and national committees addressing pipeline safety and transportation project funding.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$322	\$331	\$335	\$343	\$348	\$368
Reserves	0	0	0	0	0	0
Total Budget	\$322	\$331	\$335	\$343	\$348	\$368
FTEs	7.0	7.0	7.0	7.0	7.0	7.0



**Historical Trends**

\*The Council budget has remained relatively stable over time.

\*City Council FTEs remain constant at 7.0.

**1. Desired Program Outcomes:**

- A) Maintain 90% or better citizen survey response that Bellevue is an excellent or good place to live.
- B) Maintain 75% or better citizen survey response that Bellevue is headed in the right direction.
- C) Encourage greater citizen involvement in the City's policy setting process, operations and capital planning, and other public issues or local concerns.
- D) Promote City's interests and influence legislation of impact to the City.
- E) Provide timely and effective decision making on policy issues brought before Council.

**2. Activities - Services provided to achieve outcomes:**

- A) Continue to survey citizens regarding their level of satisfaction with City services.
- B) Create opportunities for citizens to be involved in neighborhood and community.
- C) Adopt fiscally responsible budgets and CIP plans to fund City service programs and infrastructure needs.
- D) Provide timely and thorough response to citizen comments, complaint resolution, and tracking.

## V. PROGRAM OVERVIEW - CITY COUNCIL

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) % of citizens rating City "good" or "excellent" place to live	91%	93%	97%	95%	95%	95%	95%
B) % of citizens rating City heading in right direction	78%	78%	79%	80%	80%	80%	80%
C) Number of applicants for Board/Commission positions	30	24	33	40	30	30	30
C) Number of Board/Commission positions filled	13	11	19	20	15	15	15
D) Number of State Legislative issues tracked	284	284	823	270	300	300	300
F) Number of ordinances/resolutions adopted by Council	83/147	71/137	77/148	80/110	80/110	80/110	80/110
<u>Efficiency</u>							
C) Number of citizens serving on Council appointed boards, commissions, committees, or task forces	641	543	646	550	550	550	550
F) % of items approved by Council on Consent Calendar	70%	67%	76%	75%	75%	75%	75%
<u>Workload</u>							
D) Number of regional committees or organizations on which Councilmembers participate	49	49	54	40	40	40	40

### 4. Program Notes:

The City Council's budget has remained stable overtime with only a slight increase attributable to inflation.

**VI. 2005-2006 CIP PLAN PROJECTS - CITY COUNCIL**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

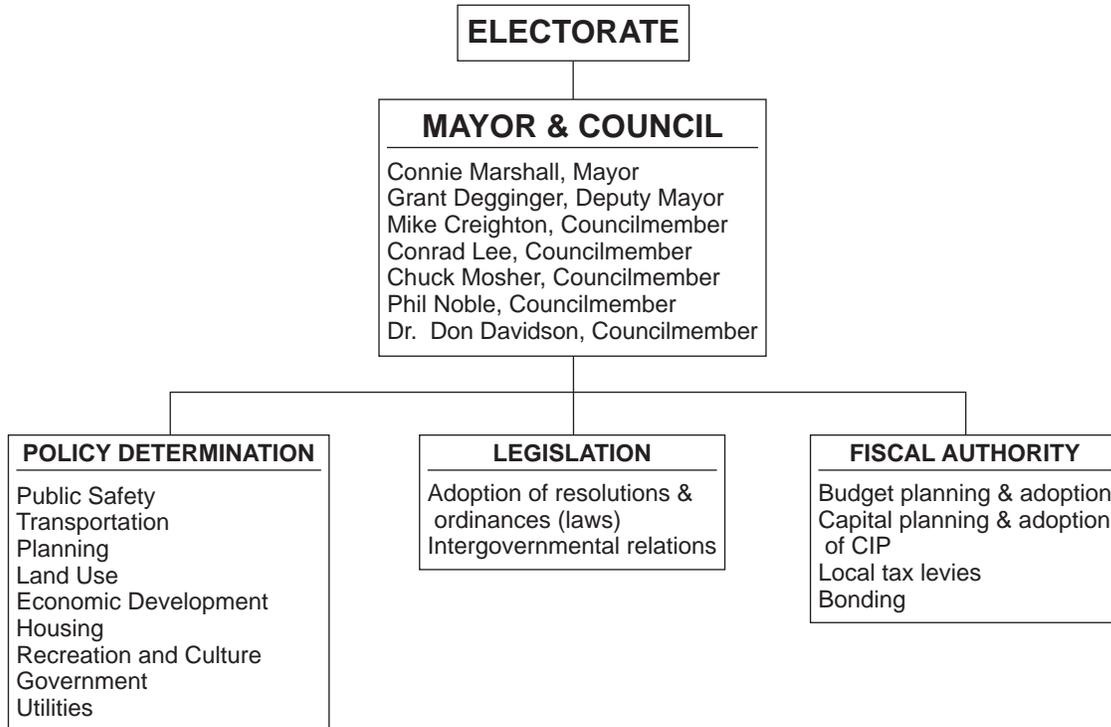
**CITY COUNCIL**  
**FINANCIAL SUMMARY**  
 \$000

**COMPARISON**

<b><u>Resources by Source</u></b>	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Beginning Fund Balance	\$0	\$0	\$0	0.0%
Unrestricted Revenues	<u>678</u>	<u>717</u>	<u>39</u>	<u>5.7%</u>
Total Revenues	678	717	39	5.7%
<b>Total Resources</b>	<b><u><u>\$678</u></u></b>	<b><u><u>\$717</u></u></b>	<b><u><u>\$39</u></u></b>	<b><u><u>5.7%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$678	\$717	\$39	5.7%
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$678</u></u></b>	<b><u><u>\$717</u></u></b>	<b><u><u>\$39</u></u></b>	<b><u><u>5.7%</u></u></b>

# CITY OF BELLEVUE

## CITY COUNCIL



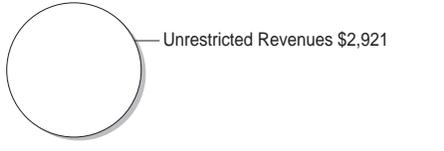
# CITY MANAGER

## I. BUDGET OVERVIEW

### Expenditures



### Resources

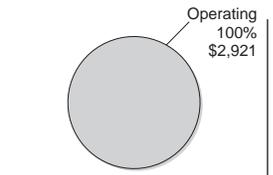


### Budget Data

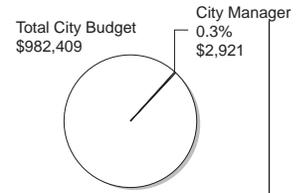
\$000

<b>2005-2006 Budget</b>	<b>\$2,921</b>
<b>Change from 2003-2004:</b>	<b>(\$617)</b>
<b>Change per Capita:</b>	<b>(19.0%)</b>
<b>2005 FTEs:</b>	<b>9.0</b>
<b>2006 FTEs:</b>	<b>9.0</b>
<b>FTE Change from 2004 to 2005:</b>	<b>0.0</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(0.7%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.7%)</b>

### Summary by Budget Type

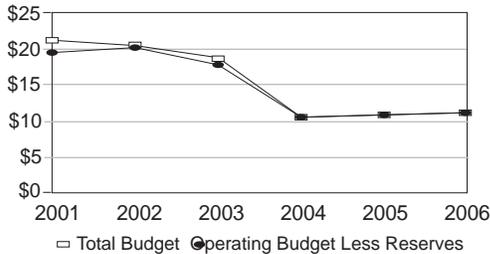


### Percent of Total Budget



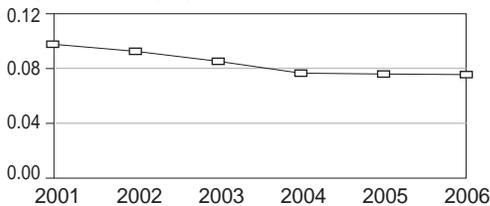
### Historical Trends

#### Budget per capita (constant dollars)



- The decrease in 2003 reflects the elimination of 1.0 FTE position, Program Administrator, and other miscellaneous reductions.
- The reduction in the budget from 2003 to 2004 is the result of a shift in the day-to-day management of BTV to the Transportation Department. The Communications Program continues to provide content management for BTV.

#### FTEs per 1,000 population



- The decrease in 2003 reflects the elimination of 1.0 FTE position, Program Administrator, in response to city-wide budget reductions.
- The decrease in 2004 is a result of a shift in the day-to-day management of BTV to the Transportation Department.

### Significant Budget Issues

- None

## II. MISSION & GOALS

### Mission:

In collaboration with the City Council, establish and implement the long-term vision for the City. Provide organizational leadership while implementing the City Council's vision, goals, policies, and direction.

### Goals:

1. Lead the organization while reinforcing the City's Core Values: Exceptional Public Service; Stewardship; Commitment to Employees; Integrity; and Innovation.
2. Ensure that the goals and objectives of departments fulfill Council directives and that the City's work is conducted with effective management of human, financial, and material resources.
3. Lead and coordinate the City's role in local, regional, state, and federal issues while achieving outcomes consistent with the City Council's vision.
4. Lead and coordinate proactive and effective communications with citizens, the news media, and employees regarding citywide issues while maximizing the effectiveness of city-owned media.
5. Coordinate activities of the Bellevue Sister Cities Program, maintaining our positive relationships with each and fostering an environment of collaboration and mutual benefit.

## III. 2003-2004 ACCOMPLISHMENTS

### *Overall City Management and Planning*

1. Managed the City efficiently and effectively, without a property tax increase in 7 years.
2. In 2003:
  - 97% of residents rated Bellevue as a good or excellent place to live, building upon 93% in 2002
  - 79% felt that Bellevue was headed in the right direction in 2003, improving upon 78% in 2002
  - 72% said they are fairly satisfied or very satisfied with the job the City is doing planning for the future, an increase over 70% in 2002.
3. Several Bellevue departments received accreditation or re-accreditation, certifying that Bellevue's departments are operating at the highest levels of professionalism:
  - The Fire Department became the seventh department nationally to earn re-accreditation in 2003
  - The Utilities Department became the fourteenth utility agency nationally to earn accreditation
  - The Bellevue Police Department is also in the process of earning accreditation, which will place it in the company of 21% of departments nationally, and expects to receive that honor late in 2004 or early in 2005.

4. Initial phases of the City's Finance/Human Resources system proceeded on time and on budget.
5. Negotiated new solid waste contract that will save ratepayers an estimated \$23.5 million over the next 10 years, while expanding recycling options and simplifying solid waste sorting.
6. Continued the Development Services Initiative (DSI), an effort to reform how the City provides development services. DSI efforts resulted in:
  - An increase in the percentage of single family home remodeling projects permitted in 14 days or less from 50% in 2002 to 79% in 2003.
7. Completed purchase and began renovation of the New City Building, which will serve as the new center for city government operations.
8. In the area of Neighborhood Outreach, the City continued to excel:
  - Percentage of residents rating their neighborhood good or excellent reached an all-time high of 92 percent
  - Satisfaction levels for all Outreach programs remained well over 90 percent
  - The City's Neighborhood Investment Strategy named 2003 recipient of the James C. Howland Gold Award for Urban Enrichment
  - It also received the 2003 Savvy Award for Outstanding Citizen Involvement Program, and the Silver Circle Award for Excellence in Service Delivery.
9. Put in place comprehensive policies for contracting that will provide for more consistent, open, and business friendly processes.
10. Continued to develop and lead the City towards implementation of Service First, an enhanced customer service program.
11. Provided staff support and guidance to the eGov Alliance, a partnership of cities committed to providing online services through a regional web portal. The Alliance has, or is, in the process of implementing the following services:
  - Building permit services
  - Parks and recreation registration
  - An economic development geographic information system browser.

#### *Intergovernmental Relations Program*

1. Worked with Seattle and Mercer Island, in addition to other regional partners, to successfully negotiate an agreement that will provide additional capacity to the I-90 floating bridge.
2. Initiated efforts to pursue the concept of consolidated regional public safety dispatching with other Eastside cities.
3. Negotiated an extension of municipal court services from King County.
4. Successfully negotiated the transfer of Eastgate Park with King County to the City of Bellevue.

5. Significantly enhanced City grant revenues:

- Funded 9 of 11 priority City of Bellevue homeland security projects, worth \$1.8 million, through federal grants
- Secured \$1.4 million in state capital grants for City parks and open space projects
- Secured a \$1 million federal appropriation for the Overlake Hospital Area Transportation study.

*Communications*

1. Managed or made significant contributions to news coverage of numerous complex and sensitive issues.
2. Provided information to Council and senior staff which inform citizens about city activities and enhance understanding of Council policy.
3. Improved Bellevue's sense of community through 50fest, the City's 50<sup>th</sup> Anniversary celebration, which included citizens, businesses, and neighborhoods in events involving 25,000 participants.
4. Renewed Cable TV/Internet franchise that benefits and meets the needs of Bellevue citizens.

*International Relations (Sister Cities)*

1. Maintained strong ties with Bellevue's Sister Cities through exchanges.
2. 2003's exchanges included:
  - Hosted all four Sister Cities during the Bellevue's 50<sup>th</sup> Anniversary celebrations
  - Sent staff to Kladno, Czech Republic and Yao, Japan
  - Councilmember Mosher and Mayor Marshall visited Yao, Japan and Hualien, Taiwan with a Sister Cities delegation
  - Councilmember Lee also visited Yao, Japan with the same delegation.
3. 2004's exchanges included:
  - Hosted staff from Yao, Japan and Kladno, Czech Republic
  - Sent staff to Liepaja, Latvia and Hualien, Taiwan.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

##### 1. Overall City Management and Planning:

- Improve interdepartmental coordination, collaboration, and staffing of the organization to shift from a more decentralized vertical organizational structure to a more centralized, coordinated, and consolidated approach
- Complete the renovation of the New City Building and the City's move into the building on time and on budget
- Enhance efforts to implement the Service First customer service initiative in coordination with the move to the New City Building
- Continue work on the Development Services Initiative, a major effort to reform how the City provides development services
- Deliver information to citizens with a customer-oriented approach
- Guide the deployment of the Downtown Implementation Plan, which will guide development in Downtown Bellevue through 2020
- Implement the City's enhanced economic development efforts.

##### 2. Intergovernmental Relations:

- Provide leadership among Eastside and Puget Sound Region cities to promote collaborations in mutual best interest such as the regional transportation improvements, the eGov Alliance, homeland security, municipal court services, consolidated regional public safety dispatching, and the Cascade Water Alliance
- Effectively promote the City's legislative agenda at the federal, state, and local levels to the appropriate stakeholders that will influence positive outcomes
- Continue to aggressively pursue grants.

##### 3. Communications:

- Continue to ensure good two-way communication between the City Council and the public in the coordination of citywide communications
- Evaluate and selectively implement new web-based technology and other communications enhancements.

##### 4. Sister Cities:

- Continue to support the grassroots efforts of Bellevue citizens through cooperation with Bellevue's four Sister Cities and with the Bellevue Sister Cities Association.

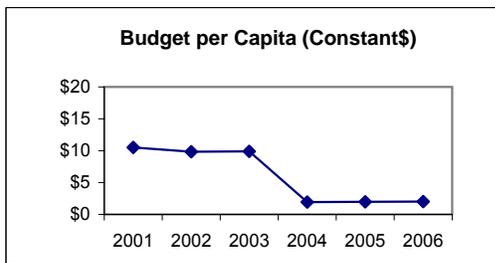
**V. PROGRAM OVERVIEW - CITY MANAGER**

**Program:** Communications

**Description:** The City Manager's Office communicates with a variety of audiences to encourage understanding of City issues, programs, and services.

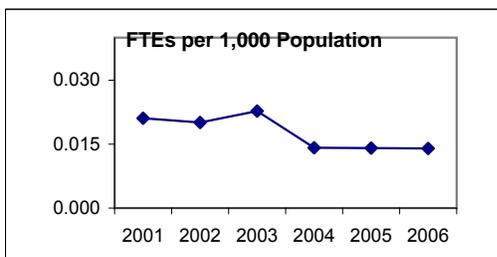
- Initiatives:**
1. Continue to deliver information to citizens with a customer-oriented approach.
  2. Continue to ensure good two-way communication between the City Council and the public in the coordination of citywide communications.
  3. Evaluate and selectively implement web-based technology and information enhancements.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$986	\$1,178	\$1,097	\$244	\$258	\$271
Reserves	185	2	120	0	0	0
Total Budget	\$1,171	\$1,181	\$1,217	\$244	\$258	\$271
FTEs	2.4	2.4	2.7	1.7	1.7	1.7



**Historical Trends**

\*The reduction in the budget of this program from 2003 to 2004 is the result of a shift in the day-to-day management of Bellevue Television (BTV) to the Transportation Department. The Communications Program continues to provide content management for BTV.



\*The reduction in FTEs from 2003 to 2004 is the result of a shift in the day-to-day management of BTV to the Transportation Department.

**1. Desired Program Outcomes:**

- A) External and internal communications on major issues will be guided by communications plans that include key messages and strategies for effectively reaching key audiences.

## V. PROGRAM OVERVIEW - CITY MANAGER

### 2. **Activities - Services provided to achieve outcomes:**

- A) Maintain City Manager's Office direct communications with staff, Council, residents, and businesses.
- B) Publish *It's Your City*, a newsletter published six times per year and distributed to 58,000 people, including City staff, residents and businesses.
- C) Using a variety of communication methods, provide information to encourage citizen understanding of City government and provide opportunities for two-way communication.
- D) Work effectively with local and regional reporters to provide clear, accurate, timely information about City issues, programs, and services.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
C) % of residents surveyed who give a "very satisfied" rating to <i>It's Your City</i>	41%	54%	50%	42%	42%	50%	50%
C) % of residents acknowledging receipt of <i>It's Your City</i> who read all, most, or some of it	89%	95%	92%	90%	90%	90%	90%
<u>Efficiency</u>							
A) Total CMO costs for printing/mailling of "It's Your City"	\$0.25	\$0.24	\$0.23	\$0.28	\$0.31	\$0.26	\$0.27
A) Program Cost as % of City Net Budget	0.3%	0.2%	0.3%	0.3%	0.1%	0.0%	0.1%
A) Program FTEs as % of City FTEs	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
<u>Workload</u>							
C) # of issues of <i>It's Your City</i> published in a year	6	6	6	6	6	6	6

### 4. **Program Notes:**

None

**V. PROGRAM OVERVIEW - CITY MANAGER**

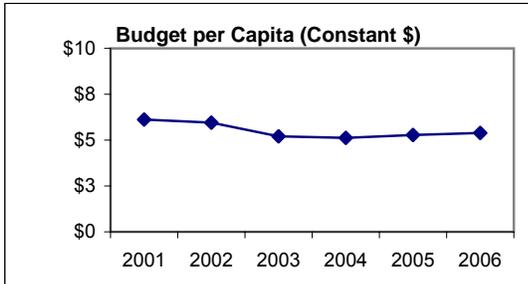
**Program:** Overall City Management and Planning

**Description:** The City Manager's Office is responsible for providing organizational leadership in the implementation of the Council's vision, goals, policies, and direction.

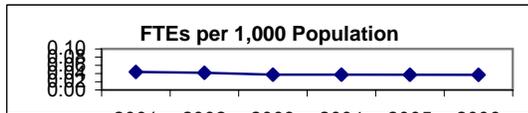
- Initiatives:**
1. Achieve City Council goals and priorities.
  2. Provide organizational leadership and direction.
  3. Facilitate efforts to pursue the City's long-term vision.
  4. Ensure effective and efficient city operations.
  5. Continue to enhance Bellevue's regional leadership role.
  6. Continue implementation of the New City Hall project.
  7. Address the potential for the establishment of a Bellevue Municipal Court.
  8. Continue work with the Cascade Water Alliance to complete the transition from the present Seattle water supply contract to a new regional water supply arrangement.
  9. Provide continued leadership on major projects.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$683	\$715	\$637	\$643	\$679	\$714
Reserves	0	0	0	0	0	0
Total Budget	\$683	\$715	\$637	\$643	\$679	\$714
FTEs	4.9	4.9	4.4	4.4	4.4	4.4

**Historical Trends**



\*The decrease in 2003 reflects the elimination of an FTE, Program Administrator, and other operating budget reductions.



\*FTEs allocated to this program decreased in 2003 due to a shift in work assignments as a result of the elimination of an FTE, Program Administrator.

## V. PROGRAM OVERVIEW - CITY MANAGER

### 1. **Desired Program Outcomes:**

- A) Further enhancement of staff/Council relationship to assure quality governance.
- B) Assure development of and/or maintenance of high quality services that meet citizen/business needs.
- C) Assure that the organization is as efficient as possible and meets organizational needs.
- D) Contribute to the community's good will and support of City government.
- E) Further development of effective partnerships with the community and business.
- F) Promote greater citizen involvement in City government.
- G) Promote an atmosphere of effective support, training, opportunity, and recognition of staff.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide organizational leadership to implement the City Council goals and priorities, ensuring effective and efficient City operations.
- B) Continue efforts to improve interdepartmental coordination, collaboration, and staffing of the organization to shift from a more decentralized vertical organizational structure to a more centralized, coordinated and consolidated approach.
- C) Provide leadership among Eastside cities to promote collaborations in our mutual best interest.
- D) Implement the Downtown Implementation Plan.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
B) % of people who say they are getting their tax dollars worth in Bellevue services and facilities	77.4%	84.0%	80.0%	85.0%	85.0%	85.0%	85.0%
D) % of citizens indicating Bellevue is headed in right direction	77.9%	78.0%	79.0%	75.0%	75.0%	75.0%	75.0%
D) % of citizens rating City as a "good" or "excellent" place to live	90.9%	93.0%	97.0%	95.0%	95.0%	95.0%	95.0%
F) # of citizens volunteering in city government	8,044	9,287	9,980	8,000	8,000	9,500	9,500
<u>Efficiency</u>							
C) Program FTEs as percentage of City's FTEs	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
C) Program cost as percentage of City net budget	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%	0.2%
<u>Workload</u>							
C) Total net budget managed in millions	\$382	\$466	\$440	\$440	\$428	\$541	\$450

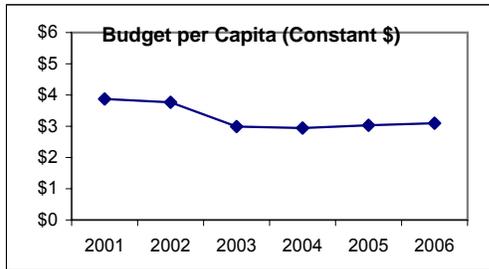
**V. PROGRAM OVERVIEW - CITY MANAGER**

**Program:** Intergovernmental Relations & Coordination

**Description:** The Intergovernmental Relations Program is responsible for: working with other jurisdictions at the local, state, and national level to promote the City's interests; advocating and securing the passage of legislation that enhances the City's capacity to govern and provide essential services; opposing legislation that lessens the City's legal authority to provide essential services, reduces revenue required to maintain services, or that imposes unfunded mandates on the City.

- Initiatives:**
1. Facilitate the City's leadership and active involvement in key regional forums, and work to initiate positive changes to regional forums that will result in more efficient and effective regional leadership.
  2. Ensure Council remains well informed on intergovernmental issues.
  3. Negotiate with King County and other governments to provide quality, cost-effective contract services for the City.
  4. Continue to enhance Bellevue's regional leadership role by ensuring that Bellevue's interests are promoted on issues such as the regional transportation investment district, the I-90 expansion, I-405, TransLake Washington, Sound Transit Phase II, among others.
  5. Effectively promote the City's legislative agenda at federal, state, and local levels.
  6. Play a key leadership role in the negotiation and development for the provision of court services and future misdemeanor jail space for the City and other impacted cities in King County.

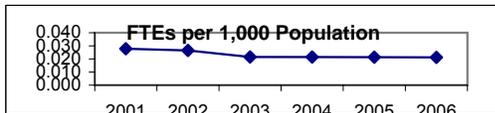
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$432	\$452	\$366	\$370	\$390	\$410
Reserves	0	0	0	0	0	0
Total Budget	\$432	\$452	\$366	\$370	\$390	\$410
FTEs	3.1	3.1	2.5	2.5	2.5	2.5



**Historical Trends**

---

\*The decrease in 2003 reflects the elimination of an FTE, Program Administrator, and other operating budget reductions.




---

\*FTEs allocated to this program decreased in 2003 due to a shift in work assignments as a result of the elimination of an FTE, Program Administrator.

## V. PROGRAM OVERVIEW - CITY MANAGER

### 1. **Desired Program Outcomes (continued):**

- E) Develop and maintain positive relationships with other regional and local governmental jurisdictions and organizations, and with state and federal legislators.
- F) Promote the City's interests within the King County region.
- G) Provide timely response to Council requests for information on regional issues.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Work with community groups and departments to develop and recommend state and federal legislative agendas for Council action.
- B) Oversee state and federal legislative consultant contracts.
- C) Meet with city and county officials, state and federal legislators to present City's viewpoint on pending administrative or legislative actions, or to identify areas for future common effort.
- D) Work to ensure City membership on regional committees and boards; provide and/or coordinate staffing support for Council members serving on regional and statewide committees and boards.
- E) Track federal and state legislative bills that impact the City; communicate to Council and staff through regular reports.
- F) Coordinate the timely and accurate production of Council Regional Issues packets monthly, with additional briefings as required.
- G) Negotiate service agreements with other jurisdictions as needed.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Efficiency</u>							
A) Program cost as % of City net budget	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
A) Program FTEs as % of City FTEs	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
<u>Workload</u>							
B) # of state legislature issues tracked	284	285	813	270	270	800	720
G) # of state, federal, regional committees on which council members serve	48	48	56	48	48	50	50

### 4. **Program Notes:**

Urban programs show little regard for jurisdictional boundaries. Increasingly, solutions to urban challenges of basic service and infrastructure provision require intergovernmental effort - be it in transportation, utilities, criminal justice, etc. The impact of the county, state, and federal government activities on the City is tremendous, both in terms of prescribing the City's rights and obligations, as well as directly affecting the City's financial health.

**V. PROGRAM OVERVIEW - CITY MANAGER**

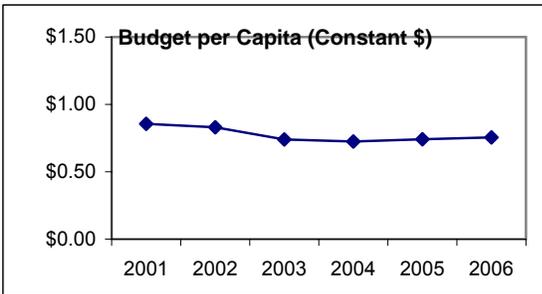
**Program:** International Relations (Sister Cities)

**Description:** The International Relations Program (Sister Cities) promotes international communication and understanding between Bellevue and its four sister cities, as well as other international visitors, and facilitates trade and economic development as opportunities arise. Bellevue's four Sister Cities are: Yao, Japan (1969); Hualien, Taiwan (1984); Leipaja, Latvia (1992); Kladno, Czech Republic (1993).

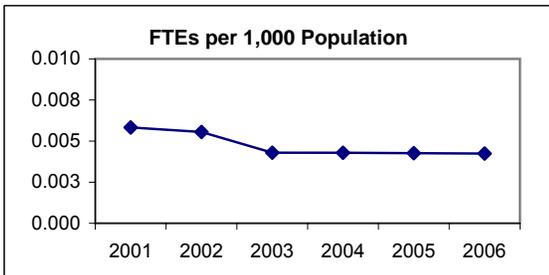
**Initiatives:** Continue to offer opportunities for citizens, Council, and staff to actively participate in the Sister Cities Program.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$95	\$100	\$91	\$92	\$97	\$102
Reserves	0	0	0	0	0	0
Total Budget	\$95	\$100	\$91	\$92	\$97	\$102
FTEs	0.7	0.7	0.5	0.5	0.5	0.5

**Historical Trends**



\*The decrease in budget per capita in 2003 reflects the elimination of an FTE, Program Administrator, and other operating budget reductions.



\*FTEs allocated to this program decreased in 2003 due to a shift in work assignments as a result of the elimination of an FTE, Program Administrator.

**V. PROGRAM OVERVIEW - CITY MANAGER**

**2. Activities - Services provided to achieve outcomes:**

- A) Plan, implement, and supervise annual staff exchanges.
- B) Advise and assist the Mayor and Councilmembers in preparation for travel to Sister Cities.
- C) Plan, implement, and attend official Sister City receptions and other activities sponsored by the City, ensuring the protocol is adhered to by having appropriate Council or staff present; attend Bellevue Sister City Association sponsored activities as well as other related outside activities as appropriate.
- D) Communicate regularly with officials of Bellevue's four Sister Cities to maintain effective relations.
- E) As opportunities arise, facilitate trade and economic development.
- F) Chair the Sister Cities Advisory Committee; manage the Sister Cities program budget.

**3. Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<u>Efficiency</u>							
A) Program Cost as % of City net budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
A) Program FTEs as % of City FTEs	0.1%	0.1%	0.0%	0.1%	0.1%	0.0%	0.0%

**4. Program Notes:**

None

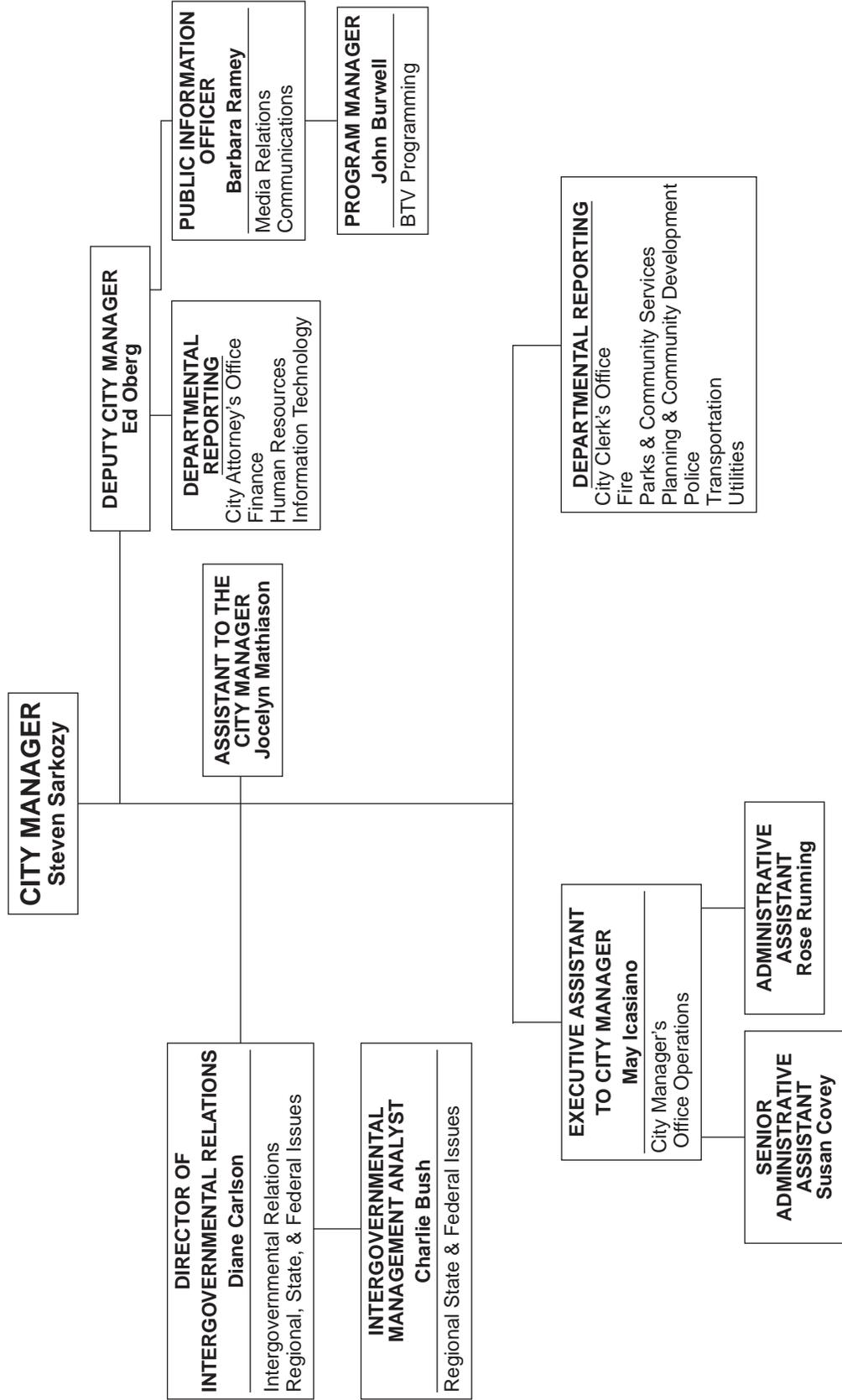
**VI. 2005-2006 CIP PLAN PROJECTS - CITY MANAGER**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

**CITY MANAGER**  
**FINANCIAL SUMMARY**  
 \$000

<b><u>Resources by Source</u></b>	<b>COMPARISON</b>			
	<b><u>2003-2004 Budget</u></b>	<b><u>2005-2006 Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
Beginning Fund Balance	\$2	\$0	(\$2)	(100.0%)
Restricted Revenues:				
Other Taxes	953	0	(953)	(100.0%)
Miscellaneous Revenues	10	0	(10)	(100.0%)
Unrestricted Revenues	<u>2,573</u>	<u>2,921</u>	<u>348</u>	<u>13.5%</u>
Total Revenues	3,536	2,921	(615)	(17.4%)
<b>Total Resources</b>	<b><u><u>\$3,538</u></u></b>	<b><u><u>\$2,921</u></u></b>	<b><u><u>(\$617)</u></u></b>	<b><u><u>(17.4%)</u></u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$2,683	\$2,921	\$238	8.9%
Franchise Fund	<u>855</u>	<u>0</u>	<u>(855)</u>	<u>(100.0%)</u>
Subtotal Expenditures	3,538	2,921	(617)	(17.4%)
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$3,538</u></u></b>	<b><u><u>\$2,921</u></u></b>	<b><u><u>(\$617)</u></u></b>	<b><u><u>(17.4%)</u></u></b>

# CITY OF BELLEVUE CITY MANAGER'S OFFICE



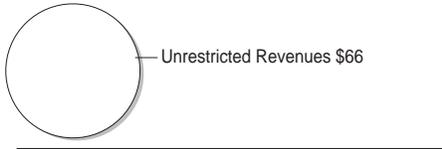
# COMMUNITY COUNCIL

## I. BUDGET OVERVIEW

### Expenditures



### Resources

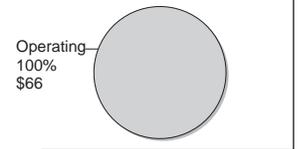


### Budget Data

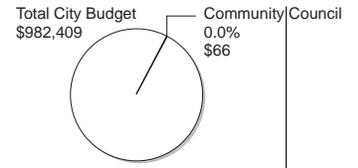
\$000

<b>2005-2006 Budget</b>	<b>\$66</b>
<b>Change from 2003-2004:</b>	<b>\$4</b>
<b>Change per Capita:</b>	<b>20%</b>
<b>2005 FTEs:</b>	<b>0.3</b>
<b>2006 FTEs:</b>	<b>0.3</b>
<b>FTE Change from 2004 to 2005:</b>	<b>0.0</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>0.0%</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>0.0%</b>

### Summary by Budget Type

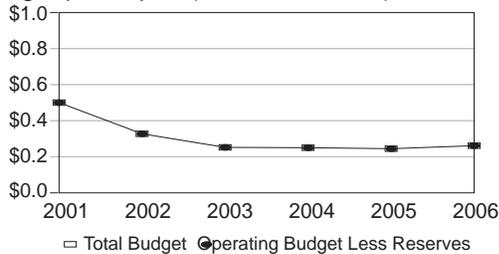


### Percent of Total Budget



### Historical Trends

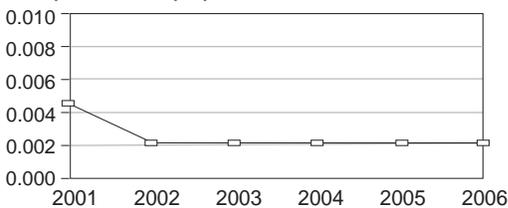
Budget per capita (constant dollars)



In this case, Operating Budget Less Reserves is equal to the Total Budget.

- Budget reductions identified in 2002 and later years are attributable to the dissolution of the Sammamish Community Council.
- The East Bellevue Community Council budget reflects direct costs associated with administrative support for their function.

FTEs per 1,000 population



- Community Council staffing has remained constant since 2002.

### Significant Budget Issues

- The Community Council budget includes costs of administrative/legislative support by the Deputy City Clerk as required by law.

## **II. MISSION & GOALS**

The East Bellevue Community Council was established in 1969 when this area was annexed to the City of Bellevue. The Community Council is empowered under RCW 35.14 with local approval/disapproval authority over certain designated land use issues and may provide advice or recommendations on other local matters that directly or indirectly affect their jurisdiction.

## **III. 2003-2004 ACCOMPLISHMENTS**

The 2003-2004 priorities for the Community Council focused on review of land use related issues within their jurisdictional boundaries. In 2003, the Community Council held 25 public hearings related to land-use issues; reviewed 18 other land-use related actions; and approved 16 City Council land-use related actions.

## **IV. 2005-2006 MAJOR WORK INITIATIVES**

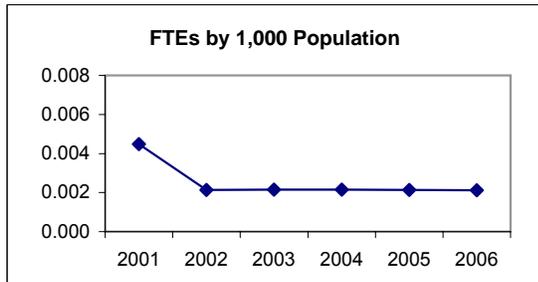
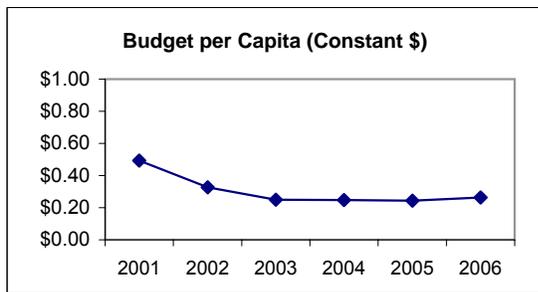
The 2005-2006 priorities of the East Bellevue Community Council continue to be review of land use related issues within their jurisdictional boundaries and continued early involvement with proposed land use matters.

**V. PROGRAM OVERVIEW - COMMUNITY COUNCIL**

**Program:** Community Council Land Use Review

**Description:** The East Bellevue Community Council considers City Council-approved Land Use Code Amendments and Comprehensive Plan policies, as well as changes to the zoning or use of specific properties within its jurisdiction.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$55	\$39	\$31	\$31	\$31	\$35
Reserves	0	0	0	0	0	0
Total Budget	\$55	\$39	\$31	\$31	\$31	\$35
FTEs	0.5	0.3	0.3	0.3	0.3	0.3



**Historical Trends**

\*Budget reduction in 2002 is attributable to the dissolution of the Sammamish Community Council.

\*Community Councils staffing decreased in 2002 due to the transfer of .25 FTE previously supporting the Sammamish Community Council to the City Clerk's Office to reflect actual work distribution.

**1. Desired Program Outcomes:**

- A) Represent residential perspective on land use matters within Community Council boundaries.
- B) Advise and cooperate with the City Council on formulation of policies that directly or indirectly affect neighborhoods within their jurisdictional boundaries.
- C) Provide a forum for citizen involvement in conservation, improvement or development of land within the Community Council service areas.
- D) Provide timely and effective communications among Community Council, City Council, citizens, and staff.
- E) Facilitate fully informed decision making process for Community Council.

**2. Activities - Services provided to achieve outcomes:**

- A) Create opportunities for citizens to be involved in their neighborhoods and community.
- B) Provide enhanced response to citizens, complaint resolution, and tracking.
- C) Explore ways to convey more concise, valuable, and current information to the Community Council.

## V. PROGRAM OVERVIEW - COMMUNITY COUNCIL

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
E) Number of resolutions adopted	17	10	18	10	10	10	10
A) % of resolutions adopted approving City Council land use decisions	54%	100%	94%	NA	NA	NA	NA
A) % of resolutions adopted disapproving City Council land use decisions	38%	0%	0%	NA	NA	NA	NA
E) % of failed/no action resolutions	8%	0%	6%	NA	NA	NA	NA
B) Number of issues advocated before City Council	15	6	4	NA	NA	NA	NA
<u>Efficiency</u>							
D) Program FTEs as a % of City Clerk's Office staff	4%	2%	2%	2%	2%	2%	2%
D) Program cost as a % of City's operating budget	0.01%	0.005%	0.005%	0.005%	0.005%	0.005%	0.005%
<u>Workload *</u>							
C) Number of public hearings	9/9	10	17	8	8	8	8
C) Number of courtesy hearings	6/7	10	8	8	8	8	8
E) Number of regular meetings held	17/12	12	12	12	12	12	12
E) Average attendance record	89/90%	88%	85%	85%	85%	85%	85%
D) Number of Council agenda items analyzed and scheduled on calendar	105/91	77	81	85	85	85	85

### 4. Program Notes:

The Community Council's 2005-2006 priorities are continued review of City and privately initiated land use proposals. In the Community Council's continuing effort to be more proactive, the Community Council strives for early involvement in the land use process to promote positive outcomes and ultimate adoption of the City Council legislation.

The Deputy City Clerk provides administrative/legislative support to the Community Council. Legal, land use, and other support by City departments is not reflected in the Community Council's budget.

\*The Sammamish Community Municipal Corporation was discontinued at the November 2001 general election. Dissolution of the Sammamish Community Council was effective January 7, 2002.

**VI. 2005-2006 CIP PLAN PROJECTS - COMMUNITY COUNCIL**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

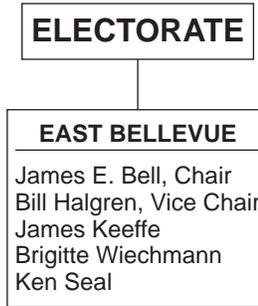
# COMMUNITY COUNCIL

## FINANCIAL SUMMARY

\$000

	<b>COMPARISON</b>			
<u>Resources by Source</u>	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$0	\$0	\$0	0.0%
Unrestricted Revenues	<u>62</u>	<u>66</u>	<u>4</u>	<u>7.3%</u>
Total Revenues	62	66	4	7.3%
<b>Total Resources</b>	<b><u><u>\$62</u></u></b>	<b><u><u>\$66</u></u></b>	<b><u><u>\$4</u></u></b>	<b><u><u>7.3%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$62	\$66	\$4	7.3%
Ending Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$62</u></u></b>	<b><u><u>\$66</u></u></b>	<b><u><u>\$4</u></u></b>	<b><u><u>7.3%</u></u></b>

**CITY OF BELLEVUE**  
**COMMUNITY COUNCIL \***



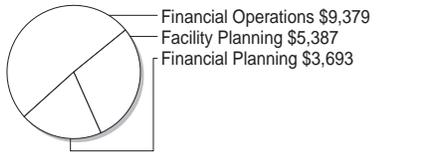
\* Deputy City Clerk provides legislative and administrative support to the Community Council.



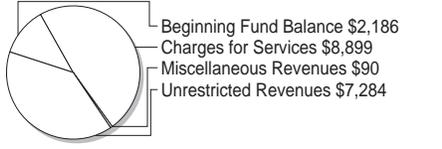
# FINANCE

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

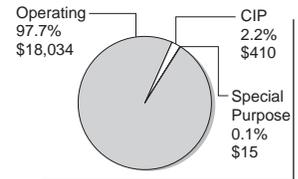


### Budget Data

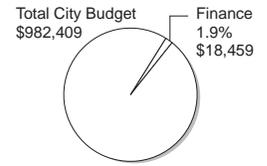
\$000

<b>2005-2006 Budget</b>	<b>\$18,459</b>
<b>Change from 2003-2004:</b>	<b>(\$13,543)</b>
<b>Change per Capita:</b>	<b>(42.9%)</b>
<b>2005 FTEs:</b>	<b>66.3</b>
<b>2006 FTEs:</b>	<b>66.3</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(3.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(4.9%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

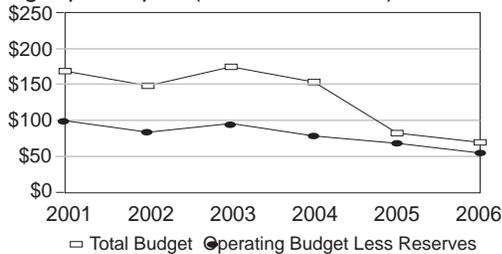


### Percent of Total Budget



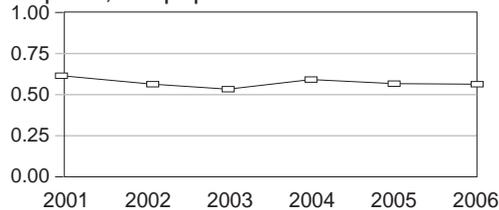
### Historical Trends

Budget per capita (constant dollars)



- The General Fund comprises 77% of the 2005-2006 Finance Operating Budget. The majority of the increase in this area is due to increases in personnel costs.
- The Facilities Services Fund comprises 23% of the Finance Operating Budget. The majority of the increase in this area is due to budget expense for the Bellevue Service Center (BSC) roof replacement.
- In 2005, the Risk Division, including Workers' Compensation, Unemployment Compensation, and General Self-Insurance, was transferred to the City Attorney's Office.

FTEs per 1,000 population



- 2.7 FTEs were transferred to the Human Resources Department in 2002 to manage and administer the Retirement Services division.
- 2.0 FTEs were transferred to the Information Technology Department in 2003 for support and management of the Finance/Human Resources system replacement project.
- In 2004 and 2005, citywide finance positions were centralized into the Finance Department.
- In 2005, Risk Division FTEs were transferred to the City Attorney's Office.

### Significant Budget Issues

- Assuring the financial health of the City continues to be critical. The Finance Department will regularly monitor expenditures and revenue collections to ensure the City does not spend beyond its means. Enhanced trend analysis will be performed to determine the accuracy of revenue estimates throughout the year and to determine if further reductions are warranted. Monthly budget monitoring reports will be streamlined to provide better focus on major expenditures and revenues.
- The Finance Department will partner with the Information Technology Department on the implementation of the personnel (including payroll and timekeeping) and tax sections of the new ERP system.

## II. **MISSION & GOALS**

### **Our Vision:**

*Stewardship*

### **Our Mission:**

Provide high quality and timely Finance Department products and services through commitment to our customers and our employees while exercising stewardship over the City's resources.

### **Our Goals:**

1. Be responsive to the Public, City Council, City Manager, and other internal City customers.
2. Work to minimize the overall tax burden to the citizens and businesses of Bellevue by exercising stewardship over the City's resources and maximizing efficiencies in Finance Department operations.
3. Seek to continually assure the integrity of financial data and processes.
4. Be innovative and creative in our approach to work, keeping an open mind to new ideas.
5. Strive for customer satisfaction and excellence in providing services.
6. Demonstrate commitment to our employees by continual emphasis on, and use of, the City's Core Values in the decision making process.

## III. **2003-2004 WORK ACCOMPLISHMENTS**

The Finance Department consistently provided high quality operational services including accounting, payroll, vendor payments, and cash management. Our solid practices in these areas earned high customer service scores and helped maintain Bellevue's Aaa Bond Rating.

### ***All Finance Department Programs***

#### *Work Initiatives Completed:*

- Implemented the "core financials" for the City's new Enterprise Resource Planning (ERP) system beginning on March 1, 2004
- Issued Limited Tax General Obligation (LTGO) bonds for the New City Hall and coordinated and compiled major components of the official statements
- Refunded the 1991 and 1994 waterworks revenue bonds, the 1993 Unlimited General Obligation bonds and the 1994 LTGO bonds
- Modified the City's debt policy by reducing the threshold for net present value savings from five percent of the principal amount of the refunding debt issued to three percent.

### ***Financial Planning***

#### *Work Initiatives Completed:*

- Developed 2005-2006 combined Operating and Capital Investment Program (CIP) Budget that is responsive to Council and community priorities
- Successfully coordinated the 2003-2004 Mid-Biennium Budget Update
- Began implementation of the Budget module of the ERP System
- Delivered five Financial Forecast updates
- Prepared the Comprehensive Finance Plan for the New City Hall

- Implemented enhanced monitoring, including monthly budget monitoring reports and quarterly presentations on budget status to the Council
- Evaluated and modeled the impact of municipal court options, economic development incentives, health benefit costs, state retirement contribution changes, financial impact of alternative labor contract proposals, potential Eastgate annexation, and finance and human resources staffing
- Received the Certificate for Excellence from the Association of Government Accountants for performance reporting
- Received the Certificate of Distinction from the International City/County Management Association for our use of performance measurement
- Began implementation of the National Center for Civic Innovation grant award. This program is expected to solicit citizen insight regarding Bellevue "Vital Signs".

### ***Financial Operations***

#### *Work Initiatives Completed:*

- Centralized the timekeeping function and continued to work with clients to enhance the timekeeping and payroll processes to improve efficiency and reporting capabilities
- Updated and implemented new contracting policies and created a separate Contracting Services Unit within the Finance Department
- Revised processes to include changes to financial reporting mandated by the Governmental Accounting Standards Board (GASB 34)
- Modified and streamlined the standard insurance requirements for contracts
- Continued efforts to establish a Model Ordinance for Business & Occupation taxes to establish greater uniformity and consistency among cities
- Assisted with the implementation of the new JD Edwards Financial System and worked with consultants to convert and enhance the payroll, timekeeping and human resources modules
- Revised and published the new Purchasing Cookbook
- Enhanced the Accounts Payable process through the centralization of functions and processed weekly payments to vendors.

### ***Facilities Planning & Development***

#### *Work Initiatives Completed:*

- Updated the Campus master plan, integrated it into the Public Safety Center Study and then expanded the master plan into the New City Hall project
- Supported the completion of the schematic design and design development for the Public Safety Center Project and then the expansion of that program into the New City Hall
- Developed the program and potential sites for a possible City Court system to transition from the King County Court Operations.

## **IV. 2005-2006 MAJOR WORK INITIATIVES**

### **All Finance Department Programs**

- A. Assist in the transition of Risk Management functions to the City Attorney's Office.
- B. Continue to identify and implement measures to improve retention of Finance Department employees.
- C. Partner with ITD on the implementation of the personnel (including payroll and timekeeping) and tax sections of the new ERP system.

### **Financial Planning**

- A. Develop 2007-2008 combined Operating and Capital Investment Program (CIP) Budget that is responsive to Council and community priorities.
- B. Coordinate the 2005-2006 Mid-Biennium Budget Update, provide monitoring updates to Council as well as Financial Forecast Updates.
- C. Provide annual updates to the City Hall financing plan.
- D. Evaluate and model the impact of municipal court options, economic development incentives, health benefit costs, and a potential Park Bond levy.
- E. Evaluate and streamline internal budget processes.
- F. Further evaluate the current "overhead" development and charging process and seek opportunities for streamlining.

### **Financial Operations**

- A. Continue efforts to ensure the accuracy of financial information in order to continue to receive an unqualified audit opinion.
- B. Expand the business and occupation tax audit program to optimize detection and collection from non-responsive taxpayers and to assure fairness to all taxpayers.
- C. Continued efforts to establish a Model Ordinance for Business & Occupation taxes to establish greater uniformity and consistency among cities.
- D. Design and implement certain operational functions for the New City Hall, such as the copy center, central receiving, mail room and in-house delivery.
- E. Research the feasibility of allowing claims payments by electronic wire transfer.

### **Facilities Planning & Development**

- A. Support Planning & Community Development and the City Manager's office in completion of the construction of the New City Hall.
- B. Support the Departments in developing the transition plan for moving staff and equipment into the New City Hall.
- C. Work with Departments and the City Manager' Office to develop operations plans for Security, Lobby operations, Parking, Mail, Copy Center, Package Delivery and other operations that will need to be revised once we occupy the New City Hall.

**V. PROGRAM OVERVIEW - FINANCE**

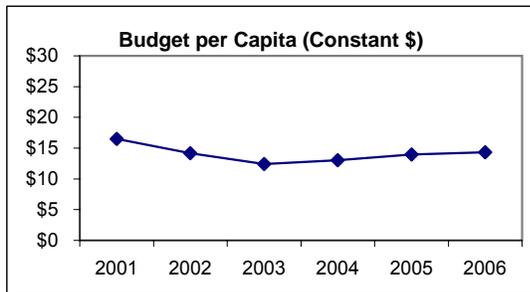
**Program:** Financial Planning

**Description:** Provide the City Council, public, and department staff with timely, accurate, and high quality financial information in an efficient, cost-effective manner to enhance decision making and maximize stewardship of the City's financial resources.

- Initiatives:**
1. Develop the 2007-2008 combined Operating and Capital Investment Program (CIP) Budget that is responsive to Council and community priorities.
  2. Coordinate the 2005-2006 Mid-Biennium Budget Update, provide monitoring reports as well as Financial Forecast updates.
  3. Provide annual updates to the City Hall financing plan.
  4. Evaluate and streamline the internal budget process.
  5. Evaluate and model the impact of municipal court options, economic development incentives, health benefit costs, and a potential Park Bond levy.
  6. Further evaluate the current "overhead" development and charging process and seek opportunities for streamlining.

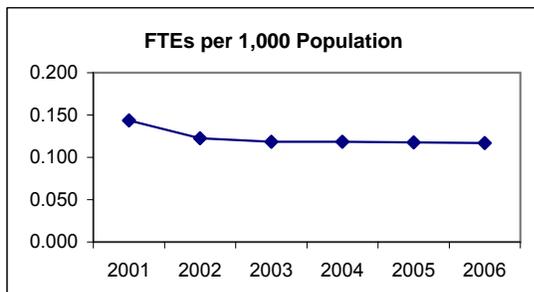
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,840	\$1,703	\$1,517	\$1,638	\$1,797	\$1,897
Reserves	0	0	0	0	0	0
Total Budget	\$1,840	\$1,703	\$1,517	\$1,638	\$1,797	\$1,897
FTEs	16.0	14.3	13.8	13.8	13.8	13.8

**Historical Trends**



\*The budget decrease in 2002 was a result of transferring the Retirement Services function to Human Resources.

\*The budget decrease in 2003 was a result of staff level reductions.



\*The FTE decrease in 2002 was a result of transferring the Retirement Services function to Human Resources.

\*The FTE decrease in 2003 was a result of a citywide effort to reduce staff levels.

**1. Desired Program Outcomes:**

- A) Provide high quality financial information to the City Council, public, and departments to facilitate decision making.
- B) Provide cost-effective and efficient City services that respond to Council and community priorities.
- C) Minimize borrowing costs by maintaining or enhancing the City's bond rating through quality financial planning.

## V. PROGRAM OVERVIEW - FINANCE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Develop and administer public outreach and involvement processes for the City's Operating and Capital Investment Program budget.
- B) Evaluate programs and priorities and match with available resources to develop the City's Budget.
- C) Produce financial documents such as the combined Operating and Capital Budget and Quarterly Budget Monitoring Report.
- D) Develop sound financial policies and monitor subsequent practices.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Community and departments rate service "good" to "excellent"	87%	88%	85%	90%	90%	90%	90%
C) Earn biennial GFOA Distinguished Budget Award	Yes	N/A	Yes	Yes	N/A	Yes	N/A
B) Variance of Second Quarter Budget Monitoring Report at projecting year-end General Fund revenues	1.8%	0.9%	0.8%	2.0%	2.0%	2.0%	2.0%
B) Variance of Second Quarter Budget Monitoring Report at projecting year-end General Fund expenditures	2.5%	2.7%	2.5%	1.0%	1.0%	1.0%	1.0%
<u>Workload</u>							
C) # of major special projects	35	31	38	30	30	30	30

### 4. **Program Notes:**

Budget staff continue to enhance the quality of the City's budget process. Some examples include improved links to outcome and performance budgeting; more in-depth analyses; and heightened scrutiny of City budgets.

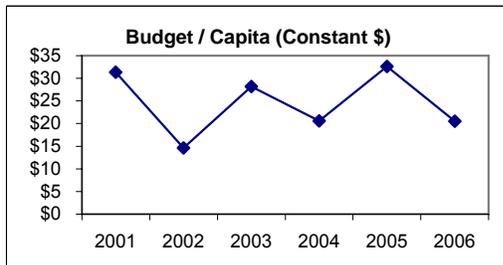
**V. PROGRAM OVERVIEW - FINANCE**

**Program:** Facility Planning & Development

**Description:** The Facility Planning & Development Program provides coordinated, cost-effective planning, development, and management services to support City operations.

- Initiatives:**
1. Work with Departments and the City Manager's Office to develop operations plans for security, lobby operations, parking, mail, copy center, package delivery and other operations that will need to be revised once we occupy the New City Hall.
  2. Support Planning and Community Development and the City Manager's Office in the design and the construction of the New City Hall.
  3. Support campus departments in developing the transition plan for moving staff and equipment into the New City Hall.

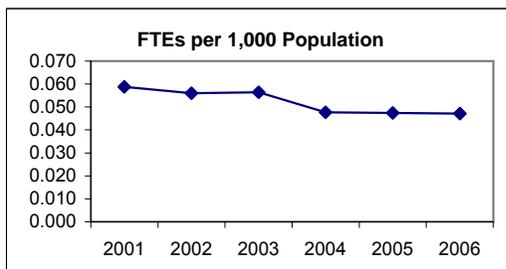
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$4,241	\$1,811	\$2,090	\$835	\$2,666	\$1,127
Reserves	(746)	(56)	1,356	1,750	1,533	1,594
Total Budget	\$3,495	\$1,755	\$3,446	\$2,585	\$4,199	\$2,721
FTEs	6.6	6.6	6.6	5.6	5.6	5.6



**Historical Trends**

\*In 1999, an interfund loan resulted in an artificial negative reserve balance. Subsequent cash flows were adequate to eliminate the negative reserve balance in 2003.

\*The budget related to Facility Planning & Development fluctuates year to year because it includes funding for capital and major maintenance projects which are not programmed at a uniform rate.



\*Effective 2004, 1.0 FTE was eliminated due to reduced major maintenance at existing City Hall campus as a result of the Qwest purchase and future move to New City Hall.

**1. Desired Program Outcomes:**

- A) Preserve the City's facility investment by planning and implementing cost-effective Major Maintenance programs.
- B) Improve operational efficiency of City facilities through effective asset management practices and utility conservation programs.
- C) Provide City facilities that meet or exceed customer expectations for cleanliness, safety, and building environment.
- D) Provide facilities that enable City staff to effectively and efficiently deliver services to the public.

## V. PROGRAM OVERVIEW - FINANCE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Complete Major Maintenance and other capital projects programmed in the Facility Services Fund.
- B) Plan and program capital projects within the framework of the Municipal Facilities Long-Range Plan and the New City Hall Campus project.
- C) Minimize operating costs by continuing the implementation of Energy Conservation Program projects.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Initiate 85% or more of programmed Major Maintenance projects	60%	83%	100%	88%	88%	88%	88%
A) Percent of projects completed within budget estimate	86%	90%	100%	100%	100%	100%	100%
<u>Efficiency</u>							
A) Major Maintenance cost per sq ft (Program Notes 1 & 2)	\$1.71	\$0.90	\$1.04	\$1.37	\$0.32	\$6.25	\$1.18
A) # of capital projects and subprojects per Project Manager	22	30	24	20	20	20	20

### 4. **Program Notes:**

Actual Major Maintenance costs were lower than estimated for 2003 because several projects on the existing City Hall Campus were not completed due to the move to the New City Hall.

Major maintenance costs for 2005 are targeted to be higher due to replacement of the entire roof system at the Bellevue Service Center. This roof has an anticipated life of 30+ years.

Major maintenance costs for 2004 were reduced due to the curtailment of major maintenance projects on campus.

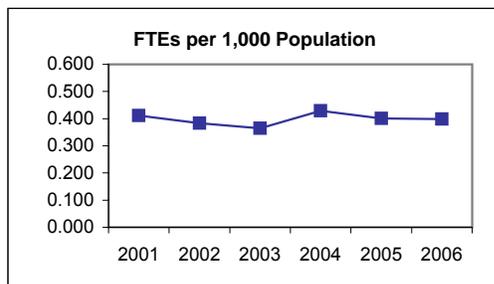
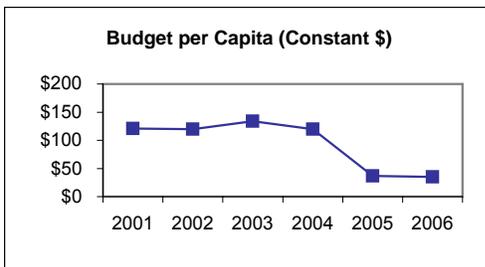
**V. PROGRAM OVERVIEW - FINANCE**

**Program:** Financial Operations

**Description:** Manage the City's assets through effective financial operations and the implementation of strong internal controls.

- Initiatives:**
1. Continue efforts to establish a model ordinance for business & occupation taxes to create greater uniformity and consistency among cities.
  2. Research the feasibility of allowing claims payments by electronic wire transfer.
  3. Continue efforts to ensure the accuracy of financial information in order to continue to receive an "Unqualified Audit Opinion".
  4. Expand the business and occupation tax audit program to optimize detection and collection from non-responsive taxpayers to assure fairness to all taxpayers.
  5. Design and implement certain operational functions for the New City Hall, such as the copy center, central receiving, mail room and in-house delivery.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$6,163	\$6,857	\$9,137	\$7,765	\$4,724	\$4,654
Reserves	7,305	7,531	7,263	7,271	0	0
Total Budget	\$13,468	\$14,388	\$16,400	\$15,035	\$4,724	\$4,654
FTEs	45.8	44.8	42.4	50.0	47.0	47.0



**Historical Trends**

\*In 2003, \$2.0 million was budgeted for a refund from the General Self Insurance Fund to the General Fund.

\*In 2005, the Risk Division, including Workers' Compensation, Unemployment Compensation, and General Self-Insurance, was transferred to the City Attorney's Office.

\*The increase in 2004 and 2005 reflects the citywide effort to centralize payroll, accounts payable, contracting services, and purchasing functions into the Finance Department.

\*In 2005, Risk Division FTEs were transferred to the City Attorney's Office.

**1. Desired Program Outcomes:**

- A) Effective stewardship of the City's resources through timely reporting of financial information.
- B) Safety of principal while still earning a reasonable return through prudent management of the City's cash and investments.
- C) Accurate, equitable, and prompt collections of the City's taxes and license revenues.
- D) Minimization of borrowing costs by maintaining the City's bond rating.
- E) Minimize price paid for the appropriate quality goods and services obtained for City programs.
- F) Timely, efficient, and accurate processing of vendor payments and employee payroll.
- G) High quality, cost-effective, and timely publishing and duplicating services for City communications.
- H) Manage mail service in most efficient, cost-effective manner.

## V. PROGRAM OVERVIEW - FINANCE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Produce Comprehensive Annual Financial Report and other reports.
- B) Maintain sound financial policies and practices and provide training to City staff.
- C) Provide equitable tax determinations and efficient tax administration.
- D) Assist vendors and City staff with purchasing, bid administration, inventory and disposal of City property.
- E) Process timekeeping and payroll.
- F) Provide publishing and duplicating services.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Receive unqualified audit opinion	Yes						
A) Average # of days to close quarter in financial system	2.0	3.0	2.7	3.5	3.5	3.5	3.5
A) Average # of days from requisition submitted to purchase order printed	N/A	N/A	1.5	1.7	1.7	1.0	1.0
C) Local tax revenues from delinquencies, audits, and detection work (millions)	\$2.2	\$1.8	\$1.7	\$1.8	\$1.9	\$1.8	\$1.8
F) % requisitions processed within 3-day target	100%	98%	100%	99%	99%	100%	100%
H) Presort and bulk mail as % of total mail**	92%	89%	86%	90%	90%	90%	90%
H) \$ postage savings (in \$000s) from use of presorting mail**	\$24	\$21	\$21	\$25	\$25	\$25	\$25
H) \$ postage savings from use of bulk mail (\$000)**	\$177	\$146	\$139	\$160	\$160	\$160	\$160
<u>Efficiency</u>							
C) Tax returns billed per FTE (000)	20.3	20.1	18.8	17.7	17.7	17.7	17.7
F) Average cost to process a Purchase Order (Purchasing and A/P)	\$24.31	\$24.11	\$24.44	\$28.76	\$28.76	\$31.65	\$33.23
F) Annual Payroll cost per average number of employees paid	\$233	\$239	\$270	\$254	\$254	\$331	\$346

### 4. **Program Notes:**

The purpose of this program is the ongoing financial operations for City resources.

\*Beginning in 2005, the Risk Division and Risk Division performance measures history were transferred to the City Attorney's Office.

\*\*Beginning in 2005, Mail Room Services responsibilities and performance measure history were transferred from the City Clerk's Office.

**VI. 2005-2006 CIP PLAN PROJECTS - FINANCE**

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

**GENERAL GOVERNMENT**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
G-5	CIP Financial Management and Tracking	O	\$410	\$3,840
TOTAL GENERAL GOVERNMENT			\$410	\$3,840

Project Status Key:  
 AB = Approved and Begun                      O = Ongoing  
 ANB = Approved and Not Begun              N = New

## FINANCE

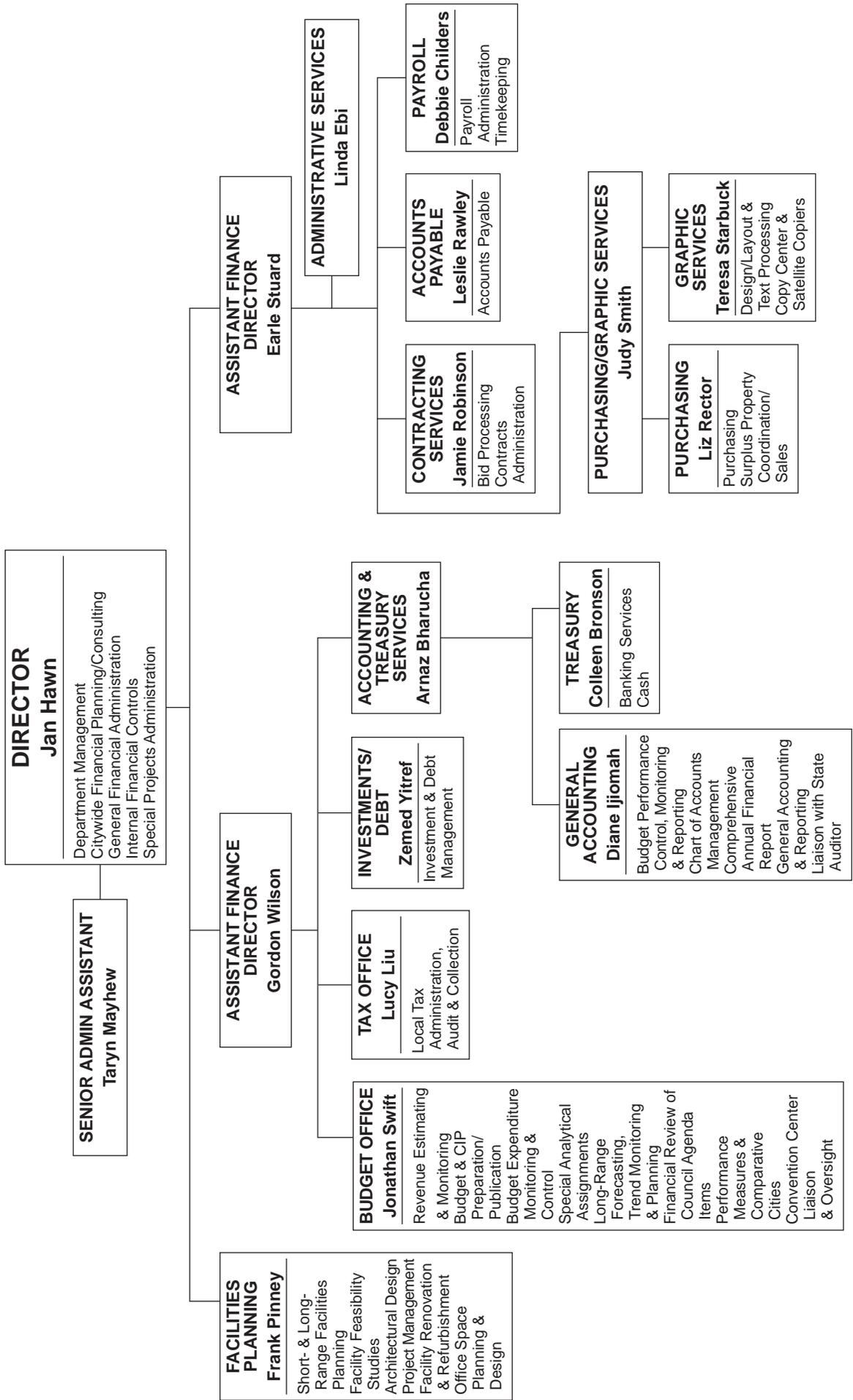
### FINANCIAL SUMMARY

\$000

	<b>COMPARISON</b>			
	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
<b><u>Resources by Source</u></b>				
Beginning Fund Balance	\$7,477	\$2,186	(\$5,291)	(70.8%)
Restricted Revenues:				
Charges for Services	8,139	8,899	760	9.3%
Miscellaneous Revenues	6,413	90	(6,323)	(98.6%)
Operating Transfers	645	0	(645)	(100.0%)
Unrestricted Revenues	<u>9,328</u>	<u>7,284</u>	<u>(2,044)</u>	<u>(21.9%)</u>
Total Revenues	24,525	16,273	(8,252)	(33.6%)
<b>Total Resources</b>	<b><u>\$32,002</u></b>	<b><u>\$18,459</u></b>	<b><u>(\$13,543)</u></b>	<b><u>(42.3%)</u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$10,753	\$12,647	\$1,894	17.6%
Facilities Services Fund	2,043	3,794	1,751	85.7%
Workers' Compensation	1,471	0	(1,471)	(100.0%)
Unemployment Compensation	286	0	(286)	(100.0%)
General Self-Insurance	7,140	0	(7,140)	(100.0%)
Special, Non-Operating Funds:				
Operating Grants & Donations	25	15	(10)	(40.0%)
Capital Investment:				
General CIP Fund	<u>1,263</u>	<u>410</u>	<u>(853)</u>	<u>(67.5%)</u>
Subtotal Expenditures	22,981	16,866	(6,115)	(26.6%)
Ending Fund Balance	<u>9,021</u>	<u>1,593</u>	<u>(7,428)</u>	<u>(82.3%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$32,002</u></b>	<b><u>\$18,459</u></b>	<b><u>(\$13,543)</u></b>	<b><u>(42.3%)</u></b>

# CITY OF BELLEVUE

## FINANCE

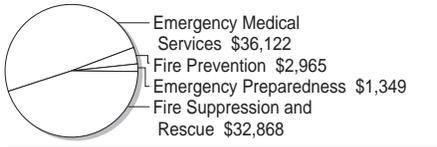




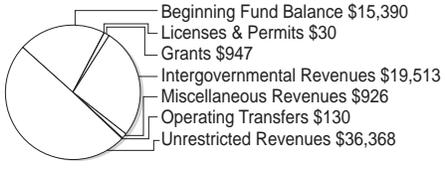
# FIRE

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

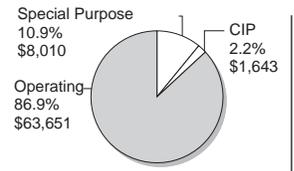


### Budget Data

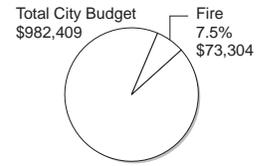
\$000

<b>2005-2006 Budget</b>	<b>\$73,304</b>
<b>Change from 2003-2004:</b>	<b>\$4,690</b>
<b>Change per Capita:</b>	<b>5.8%</b>
<b>2005 FTEs:</b>	<b>219.7</b>
<b>2006 FTEs:</b>	<b>219.7</b>
<b>FTE Change from 2004 to 2005:</b>	<b>0.0</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(0.6%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

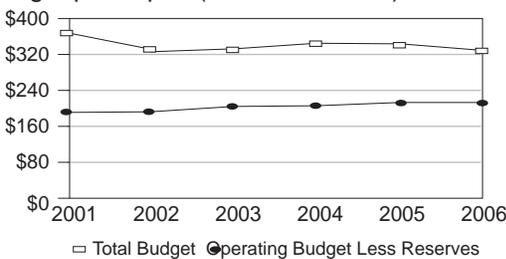


### Percent of Total Budget



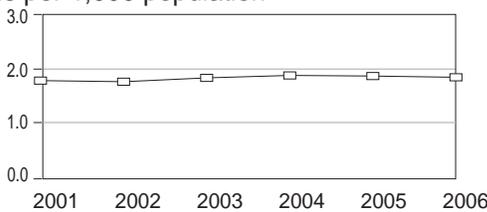
### Historical Trends

Budget per capita (constant dollars)



- Total budget per capita has declined approximately 10.5% over the six (6) year period reflecting the decline in Fire Department debt service obligations in 2002 and a steady decline in Public Safety CIP expenditures. In 2003-2006, this decrease is partially offset by increased expenditures for LEOFF I Medical Benefits for retirees.
- The Operating Budget Less Reserves graph increased at an average annual rate of 2.2%, or 11.6%, over the six (6) year period. Approximately half of the increase was due to the paramedic program expansion in 2003. The remaining operating budget expenditure increases are due to personnel and benefit cost increases. In 2004, the City signed a new 3-year labor agreement with the Firefighters Union.

FTEs per 1,000 population



- Slight increase in FTEs per capita in 2003 is due to the addition of 14 FTEs for the expansion of Medic 3 and Medic 14.
- Excluding the paramedic program increase in 2003, FTEs per 1,000 population has declined slightly as the number of FTEs have remained the same while population has grown.

### Significant Budget Issues

- The Fire Department will receive approximately \$20.4 million in operating and grant revenue in the 2005-2006 budget period, which represents approximately 36% of the Department's operating budget reserves.
- New construction activity increased significantly during 2004, especially in the Downtown core. This high level of activity is expected to continue throughout the 2005-2006 biennium. In the future, additional inspection and emergency response resources will be necessary to maintain current service levels.
- The Fire Department is continuing to evaluate expenditure priorities due to budget reductions and under-funding of ongoing programs and projects.

## II. MISSION & GOALS

The Bellevue Fire Department exists to assist the public in the protection of life and property by minimizing the impact of fire, medical emergencies, and potential disasters or uncontrolled events that affect the community and environment.

Goals:

1. To reduce loss of life and property from fire through the strategic deployment of resources and rapid response of personnel and equipment.
2. To provide the highest quality of medical care possible under emergency conditions to mitigate loss of life, pain and suffering, and enhance the possibilities for rapid and complete patient recovery.
3. To reduce the number of fires, deaths, injuries, and property loss through active code enforcement, public education, and fire cause determination.
4. Create and maintain a highly trained force that will provide fire prevention, emergency preparedness, fire suppression, rescue and emergency medical service that ensures the greatest protection of lives and property.
5. Develop, implement, and maintain an emergency operations program for the City of Bellevue that will maximize the use of all City resources and prepare the community for disasters.
6. Provide leadership and resources to provide quality, safe, and cost effective public safety services, as well as involving the community in a partnership with the department to accomplish its mission and goals.
7. To provide timely access to Fire Department offices for the media and all members of the community.

## III. 2003-2004 WORK ACCOMPLISHMENTS

*Initiatives Completed:*

1. Improved overall emergency medical response for advanced life support, as identified in the King County EMS Strategic Plan initiatives, by expanding Medic 14 to a full-time unit.
  - Transitioned Medic 14 from a 12-hour unit to a full-time unit effective January 1, 2003.
  - Expanded Medic 3 from an EMT/P unit to a unit staff with two Firefighter/Paramedics.
2. Continued to evaluate overall community safety and comply with recognized standards of fire protection coverage.
  - Adopted and implemented the new model code, International Fire Code, in July, 2004.
  - Reallocated resources and implemented Battalion One Staff Assistant.
3. Continued to provide timely project plans review and oversight inspections to ensure that newly constructed buildings are in compliance with Fire Code and related standards.
  - Continued to monitor project plans review to ensure meeting established goal of 80%; currently averaging 84% to meet timeframes for plans review and oversight inspections.
4. Continued to participate, as a regional provider, in King County EMS Strategic Plan initiatives.

5. Continued to provide basic training to “entry-level” and “in-service” training to firefighters that meets national standards, State law, and departmental priorities.
  - Conducted two Firefighter Recruit Academies in 2003.
  - Conducted numerous in-service programs and training to address continuing education needs for firefighters in suppression, emergency medical services (EMS), and technical rescue.
  - Conducted Truck Company level training.
6. Continued to participate, support, and review programs associated with maintaining a Class II Fire Protection Rating for the community.
7. Continued to monitor and review all department opportunities for continuous improvement, including preparation of a site visit by the Commission on Fire Accreditation International to evaluate renewing Fire Department Accreditation in early 2003 and annual update in 2004.
  - Prepared for Accreditation site visit and review; received re-accredited status in August, 2003.
  - Annual review conducted in 2004; received verification of continued accreditation.
8. Provided training for operating safely during tactical events and/or environments, which included weapons of mass destruction or terrorism.
9. Continued to participate in the International City/County Management Association (ICMA) Comparative Performance Measures processes.
10. Continued to work with the City of Bellevue Transportation Department in analyzing the impact of traffic calming/diversion devices on emergency response outcomes.
  - Attended neighborhood community meetings regarding traffic calming/diversion devices.
  - Utilized DECCAN software tool to identify impacts on emergency response outcomes.
11. Continued to maintain current Fire Department facility investments.
12. Continued to participate in the Development Services Initiative process.
13. Continued efforts to reduce the incidence of fires through the annual fire inspection program.
14. Continued to explore opportunities to introduce further economic incentives for the installation of fire protection system.
15. Continued to analyze traffic congestion and community fire risk based on structural and/or industry hazard classification to ensure that appropriate standards of response are in place.
16. Submitted 10 year “Fire Protection and Life Safety Strategic Plan” to elected officials for review.
17. Continued to participate in the Enterprise Resource Program (HR/Finance).
18. Transitioned to needleless system for administering IV medications as required by OSHA.
19. Developed a Hazards Mitigation Plan.
20. Continued to coordinate the multi-department development of the City’s Post Disaster Recovery and Reconstruction Plan.

21. Facilitated the City's participation in TOPOFF II, a federally sponsored national terrorism exercise in May 2003.
22. Served as one of two national pilot communities for the new local government Emergency Management Accreditation program.
23. Provided technical expertise to City negotiation team in developing a new multi-year contract with IAFF, Local 1604 (Firefighters & Fire Prevention Officers).

*Other Major Work Initiatives not previously listed:*

24. Provided training and updated Department policies/procedures pertaining to the new Health Care Information Privacy and Security of Records Act.
25. Monitored the impacts of the Family Care Act to Fire Department overtime expenditures.
26. Participated as a wireless beta test site for Fire Prevention code enforcement inspections.
27. Monitored the construction of an addition to the training tower and repairs to the burn room at the Training Center.

**IV. 2005-2006 MAJOR WORK INITIATIVES**

1. Participate as a member and provide leadership to the regional task force and King County Emergency Medical Services (EMS) to bring before King County voters in 2007 a levy for a six year period (2008 – 2013).
2. To ensure operational continuity, prepare Fire Department administrative, Fire Prevention, EOC, and Emergency Preparedness for relocation to the New City Hall building.
3. Continue to evaluate overall community safety and comply with recognized standards of fire protection coverage.
4. Continue to provide timely project plans review and oversight inspections to ensure that newly constructed buildings are in compliance with Fire Code and related standards.
5. Continue to participate, as a regional provider, in King County EMS Strategic Plan initiatives.
6. Continue to provide basic training to “entry-level” and “in-service” training to firefighters that meets national standards, State law, and departmental priorities.
7. Continue to participate, support, and review programs associated with maintaining a Class II Fire Protection Rating for the community.
8. Continue to monitor and review all department opportunities for continuous improvement.
9. Improve dispatch time, management information, and increase response effectiveness by purchase and implementation of a station alerting system.
10. Provide on-going training for operating safely during tactical events and/or environments, which may include weapons of mass destruction or terrorism.

11. Continue to participate in the International City/County Management Association (ICMA) Comparative Performance Measures processes.
12. Continue to work with the City of Bellevue Transportation Department in analyzing the impact of traffic calming/diversion devices on emergency response outcomes.
13. Continue to monitor the Department's renovation plan to ensure timely maintenance to increase longevity of fire facilities and grounds through a scheduled repair and maintenance program.
14. Continue to work with the Utilities Department in the mitigation of Wildland urban interface
15. Continue to maintain current Fire Department facility investments.
16. Continue to participate in the Development Services Initiative process.
17. Continue efforts to reduce the incidence of fires through the annual fire inspection program.
18. Continue to explore opportunities to introduce further economic incentives for the installation of fire protection systems.
19. Complete sprinkler retrofit for five fire stations and review options for the Training Center.
20. Continue to analyze traffic congestion and community fire risk based on structural and/or industry hazard classification to ensure that appropriate standards of response are in place.
21. Continue to participate in the Enterprise Resource Program (HR/Finance).
22. Participate in the City's video streaming pilot project to provide more effective and efficient training for community outreach educational opportunities and department personnel while on-duty.
23. Continue to monitor continuing education requirements for technical rescue.
24. Continue to coordinate the multi-department development of the City's Post Disaster Recovery and Reconstruction Plan.
25. Negotiate a new six year contract with the communities of Medina, Hunts Point, Yarrow Point, Clyde Hill, Beaux Arts, City of Newcastle, and King County Fire Protection District #14 to provide Fire and EMS services.
26. Formalize, develop and implement a succession plan for key management staff.
27. Continue partnership with Overlake Hospital to secure adequate quarters for Medic One.
28. Formalize, develop, and implement an Officer Development program.
29. Continue to apply for grant funding to support emergency response and/or preparedness.
30. Continue to seek opportunities to expanding Fire Department revenues.
31. Work with the Parks Department to implement an automatic external defibrillator (AED) program for City facilities.

32. Work with the Police Department to investigate the installation of AEDs in Police Traffic and Patrol units.
33. Facilitate the city-wide development of actions, policies, and protocols associated with the Post Disaster Recovery and Reconstruction Plan.
34. Supervise the work of a grant funded Zone 1 emergency management agency coordinator.
35. Comply with new National Incident Management System and National Response Plan standards.
36. Facilitate City's homeland security activities including regional strategic planning, training, exercising, and equipping of personnel.
37. Develop and seek Council adoption of new elements of the Regional Disaster Plan for Public and Private Organizations in King County.
38. Orient new Council and City staff members to their responsibilities as part of the City's emergency preparedness program.
39. Design, conduct, and evaluate a city-wide exercise in 2006 designed to test the Emergency Operations Plan.
40. Expand partnership with Consulting Nurse Services to use fire facilities to provide flu shots, immunizations, and health screenings for citizens.
41. Continue to provide EMS support for community events.
42. Target educational opportunities to reach disadvantaged citizens, e.g. increase the number of multi-language educational programs and materials.
43. Continue to participate in the Regional Firefighter Testing Consortium and working with regional partners to enhance opportunities for diversity recruitment.

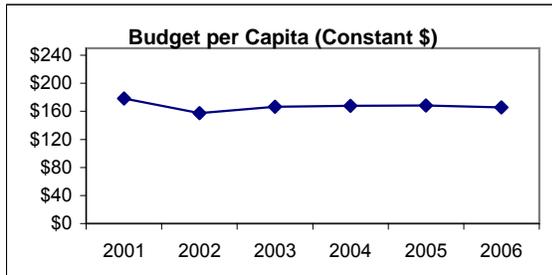
**V. PROGRAM OVERVIEW - FIRE**

**Program:** Emergency Medical Services

**Description:** The Emergency Medical Services (EMS) program is a system designed to quickly respond to medical or traumatic emergencies. The system includes rapid response, assessment, treatment, and transportation to the nearest medical facility when appropriate, with the care of the patient being the primary focus. The platform for this program includes the enhanced 911 system and the use of strategically located Fire Department resources capable of delivering basic and advanced life support services. Two important elements of this program are rapid access to 911 by citizens and instruction of cardio-pulmonary resuscitation (CPR) to citizens in the community.

- Initiatives:**
1. Participate, as a regional provider, in King County EMS Strategic Plan initiatives.
  2. Provide liaison and technical expertise to decision-makers selecting a long-term, stable EMS funding source.
  3. Continue to evaluate partnership opportunities for expanded community medical care and wellness programs through the Fire Department.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$11,884	\$10,893	\$12,739	\$13,363	\$14,158	\$14,511
Reserves	7,996	8,009	7,638	7,710	7,484	7,453
Total Budget	\$19,880	\$18,902	\$20,376	\$21,073	\$21,642	\$21,964
FTEs	95.5	100.1	111.8	117.3	117.3	117.2

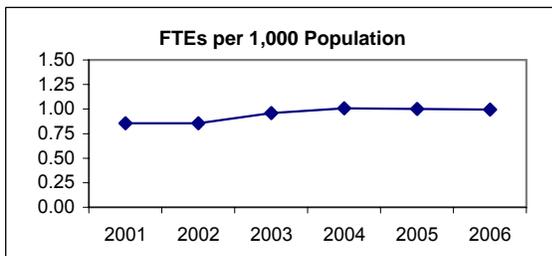


**Historical Trends**

\*2002 decrease is due to completion of CIP projects and decrease in Fire's share of Debt Service.

\*2003 increase is due to the addition of 14 FTEs and operating expenses to expand Medic 14 to a full-time (24 hour) unit and Medic 3 from an EMT-P unit to a full-paramedic unit staffed by two Bellevue Fire Department paramedics.

\*2006 decrease is due to a reduction in grant funding.



\*Increase in 2003 is due to the addition of FTEs to expand Medic 14 to a full-time (24 hour) unit and Medic 3 from an EMT-P Unit to a full-paramedic unit staffed by two Bellevue Fire Department paramedics.

\*Slight increase in FTE growth in 2004 is due to a reassignment of FTEs from the Fire Suppression and Rescue program.

**1. Desired Program Outcomes:**

- A) Provide rapid intervention to acute medical and/or traumatic emergencies and a high level of patient care.
- B) Maintain a minimum annual cardiac arrest survival rate of 35%.
- C) Train the equivalent of 1 - 2% of the City population annually in CPR.
- D) Provide quality management, administrative support, and training to the department.

## V. PROGRAM OVERVIEW - FIRE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Efficient utilization of strategically placed Fire Department resources.
- B) Provide rapid response to medical emergencies with appropriate resources.
- C) Conduct monthly CPR classes at various times, dates, and locations.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its Desired Program Outcome)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Unit average time per call (minutes)	29.5	36.2	36.8	29.0	29.0	30.0	30.0
A) % of incidents where total EMS response time (receipt of call to arrival) is 6 minutes or less	44%	49%	58%	90%	90%	90%	90%
A) % of incidents where EMS travel time is 4 minutes or less	72%	71%	72%	90%	90%	90%	90%
A) % of incidents where EMS turnout time is 1 minute or less	12%	11%	12%	90%	90%	90%	90%
A) % of incidents where EMS call processing time is 1 minute or less	26%	42%	65%	90%	90%	90%	90%
B) Cardiac arrest survival rate	31%	35%	35%	35%	35%	35%	35%
C) # citizens performing CPR in field	45	49	51	38	38	45	45

#### Efficiency

NA

#### Workload

A) Number patients treated	12,186	10,560	10,482	12,300	12,500	10,500	10,500
A) # incidents requiring IV/airway therapy	2,525	2,652	2,629	2,500	2,550	2,600	2,600
A) Total emergency medical calls	12,354	11,668	11,797	13,000	13,300	12,000	12,000
A) Total unit responses generated	19,583	17,958	17,862	22,000	22,500	18,000	18,000
A) Number patients transported	6,158	6,008	6,160	6,100	6,300	6,200	6,200
C) Number of persons trained in CPR	880	882	799	1,000	1,000	700	700

### 4. **Program Notes:**

The data indicates an effective use of strategically placed resources. The Department responds with appropriate resources in an effective time frame and takes the appropriate action to mitigate pain, suffering, and morbidity for critically ill and injured citizens. In 2003, the Department collaborated with King County EMS to enhance paramedic service delivery in Bellevue Fire Department's ALS service area as outlined in the King County EMS Strategic Plan. As a result, Medic 14, located in Issaquah, was transitioned from a part-time 12 hour per day unit to a 24 hour per day unit and Medic 3, located in North Bend, was converted from an EMT-P Unit staffed with one Emergency Medical Technician from Eastside Fire and Rescue and one Firefighter Paramedic to a full medic unit staffed by two Bellevue Firefighter Paramedics.

Efficiency Note: The population used includes the Medic 1 service area (Bellevue, Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, Yarrow Point, Fire District 14, Issaquah, Fire District 10, and I-90 corridor to North Bend).

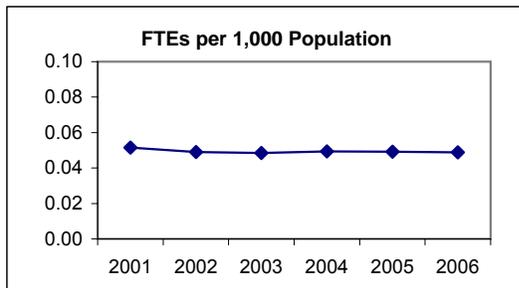
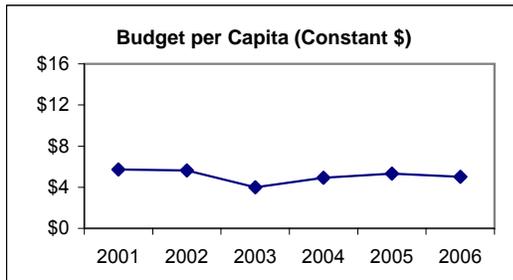
**V. PROGRAM OVERVIEW - FIRE**

**Program:** Emergency Preparedness

**Description:** This program, although housed within the Fire Department, leads an interdepartmental effort to develop and maintain an emergency operations program for the City of Bellevue that maximizes the use of all City resources and prepares all segments of the community for disaster. The program also integrates plans, resources, and training with all necessary agencies to most effectively manage the City's preparation for, response to, and recovery from the effects of any disaster.

- Initiatives:**
1. Coordinate the development of a City Recovery Plan to compliment the Emergency Operations Plan.
  2. Develop a Hazard Mitigation Plan by July 2005.
  3. Comply with all elements of the National Incident Management System (NIMS).
  4. Move Emergency Preparedness Division to new City Hall and reestablish the City's Emergency Operations Center at the new City Hall.
  5. Seek Emergency Management Program Accreditation.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$639	\$675	\$489	\$620	\$686	\$662
Reserves	0	0	0	0	0	0
Total Budget	\$639	\$675	\$489	\$620	\$686	\$662
FTEs	5.7	5.7	5.7	5.8	5.8	5.8



**Historical Trends**

\*2001-2002 costs are in proportion to population increases.

\*2003 decrease is due to the reallocation of Fire Department expenditures to the Fire Suppression & Rescue and Emergency Medical Services programs.

\*2003-2005 increase is primarily due to an increase in Federal Department of Homeland Security grant funding.

\* 2001-2006, FTEs per capita decline slightly as FTEs assigned to the program remain constant and population increases slightly.

\*In 2004, FTEs increase slightly due to a budgeted increase of a partial FTE funded by grants.

**1. Desired Program Outcomes:**

- A) Maintain the City's disaster response readiness.
- B) Reduce demand for responders during disaster by empowering citizens to become self-sufficient for a 72-hour minimum.
- C) Minimize loss and injuries caused by disasters, fires, and other emergencies.

## V. PROGRAM OVERVIEW - FIRE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Train City employees in response procedures and conduct one functional exercise annually to test the Emergency Operations Plan.
- B) Train community members for disaster self-preparedness and organize neighborhoods for response through Strengthening Preparedness Among Neighbors (SPAN) program.
- C) Prevent fires and injuries through education and mitigation.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its Desired Program Outcome)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<u>Effectiveness</u>							
A) EOB/EMC training programs	16	17	15	14	14	14	14
B) Response training programs	28	18	34	25	25	25	25
B) Volunteers utilized	60	44	47	60	60	50	50
B) SPAN neighborhoods	4	8	23	6	6	10	10
C) FEMA cost recovery (\$000)	\$324	\$0	\$0	\$0	\$0	\$0	\$0
C) Public property damage (\$000)	\$370	\$0	\$0	\$0	\$0	\$0	\$0
<u>Efficiency</u>							
NA							
<u>Workload</u>							
A) Number of exercises	2	3	4	1	1	1	2
A) EOP elements exercised	100%	100%	80%	25%	100%	50%	100%
B) Preparedness audiences reached	6,870	5,514	4,719	5,000	5,000	5,000	5,000
B) Major outreach campaigns	4	2	2	4	4	3	3
B) Preparedness programs taught	173	151	120	150	150	150	150
B) Fire/Injury programs taught	183	138	105	150	150	150	150
C) High Rise drills conducted	27	24	28	29	31	31	32

### 4. **Program Notes:**

The December 2004 Indonesian subduction zone earthquake and subsequent tsunami poignantly reflected the identical risk faced by the Pacific Northwest of geologic hazards. Local planning and preparedness measures are increasingly guided by Department of Homeland Security and Presidential directives to focus on intentional acts of terrorism using weapons of mass destruction. To remain eligible for federal grant funding, Bellevue must comply with the developing requirements of the new National Incident Management System by Federal Fiscal Year 2006. The City's emergency management program will seek accreditation in 2005 after the completion of a Hazard Mitigation Plan. The amount of public education delivered in 2005 is likely to be affected by the move of the Emergency Preparedness Division to new City Hall and the reestablishment of the City's Emergency Operations Center.

Efficiency Note: Population used includes the communities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, Yarrow Point, and Fire District 14.

**V. PROGRAM OVERVIEW - FIRE**

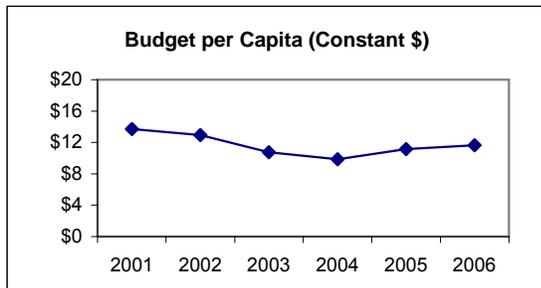
**Program:** Fire Prevention

**Description:** The Fire Prevention program is designed to support the Fire Department's mission through quality delivery of a multifaceted fire and life safety improvement strategy. This program consists of six functional areas: Plans Review, Code Enforcement, Investigation, Hazardous Material, Special Projects, and Administration. These sections inform and educate the public, conduct new construction plan reviews, perform fire code inspections, and investigate fires. Particular emphasis is directed toward those citizens who face a disproportionately high risk of death due to fire. These groups include the very young, the elderly, immigrant populations, and disabled persons.

- Initiatives:**
1. Provide clear, concise, and timely project plan review and oversight inspections to ensure that newly constructed buildings are compliant with the International Fire Code and related standards.
  2. Conduct fire cause and origin determination of significant fires and explosions and provide technical assistance to various police authorities to ensure the proper prosecution for the crime of arson and related offenses.
  3. Conduct fire code inspections for commercial, industrial, educational, and institutional occupancies consistent with the inspection frequency as identified by resource availability and Council direction.

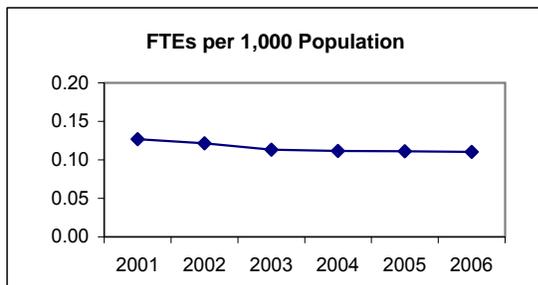
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,518	\$1,542	\$1,300	\$1,230	\$1,422	\$1,538
Reserves	11	10	13	6	15	5
Total Budget	\$1,529	\$1,553	\$1,313	\$1,236	\$1,437	\$1,543
FTEs	14.2	14.2	13.2	13.0	13.0	13.0

**Historical Trends**



\*2001-2004 decrease is due to the termination of three Limited Term Employees (LTEs) due to a decline in development activity and the transfer of one FTE to the Information Technology Department.

\*2005-2006 increase is due to an increase in development activity; additional staffing is required to meet development service timelines.



\*The addition and expiration of LTEs, as noted in total costs, are not reflected in FTE counts.

\*Slight annual decrease from 2001 to 2006 is due to no growth in program staff with continued growth in population.

## V. PROGRAM OVERVIEW - FIRE

### 1. **Desired Program Outcomes:**

- A) Conduct fire code safety inspections of all commercial occupancies commensurate with risk factors and in compliance with Washington Survey and Rating Bureau standards.
- B) Reduce the reoccurrence of fire by comprehensive fire cause and origin detection for each fire incident reported.
- C) Ensure 100% fire code compliance with newly constructed buildings through quality fire and life safety plan review.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Fire and Life Safety Inspection Program
- B) Fire Investigation - Cause and Origin Determination
- C) Fire Safety Construction Oversight and Plan Review

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its Desired Program Outcome)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Total fire loss per capita	\$68.38	\$25.68	\$34.14	\$25.00	\$25.50	\$25.50	\$25.50
A) Number of fires reported	480	447	531	450	450	450	450
A) Fires per capita (per 100)	3.61	3.24	3.82	3.75	3.75	3.75	3.75
C) Fire loss in inspected buildings (\$000)	\$9,095	\$434	\$469	\$500	\$500	\$500	\$500
<u>Efficiency</u>							
A) Expenditures per \$1,000 of property protected	\$0.069	NA	\$0.048	\$0.052	\$0.048	\$0.053	\$0.055
A) Percentage of assigned regular code inspections completed including self-inspections	57%	63%	75%	100%	100%	100%	100%
C) Percentage of plans approved within 21 days	NA	72%	81%	80%	80%	80%	80%
<u>Workload</u>							
B) Number of fire investigations	56	41	45	55	55	55	55
C) Number regular code inspections assigned	8,448	8,800	8,800	8,775	8,800	8,000	8,000
C) Number of new construction inspections requested	NA	NA	959	NA	NA	1,750	1,750

### 4. **Program Notes:**

Key performance indicators are expected to remain relatively constant over the biennium, although an apparent recent surge in new construction activity could result in additional diminished capacity to complete existing building inspections and timely completion of fire investigation efforts. The resources needed to maintain existing service levels relative to fire and life safety inspections have not kept up with growth. Efforts are currently underway, per Council direction, to study the impact of a reduced frequency of inspection for existing buildings, along with implementing additional efficiency measures.

Efficiency Note: Property protected includes the communities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, Yarrow Point, and FD 14.

**V. PROGRAM OVERVIEW - FIRE**

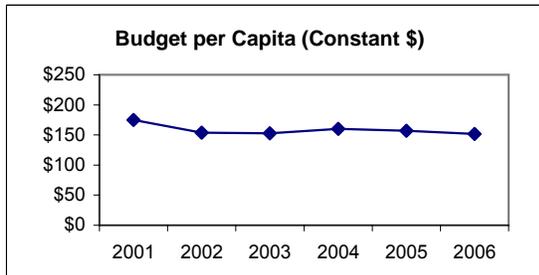
**Program:** Fire Suppression and Rescue

**Description:** The Fire Suppression and Rescue program is designed to minimize loss of life and property. The program is delivered through the prevention and extinguishment of fires utilizing the rapid deployment of staff and resources. Other activities include basic and specialized training, continuing education for all members, compliance with State and Federal safety standards, conducting annual fire/code enforcement/life safety inspections, educating the public, and providing basic medical life support.

- Initiatives:**
1. Continue to participate in and support programs to maintain the Class II Fire Protection Rating and IAFC/ICMA Accreditation status.
  2. Comply with legislated mandates for fire service equipment, training, and operations.
  3. Provide basic training to "entry level" firefighters and "in-service" training to City of Bellevue firefighters that meet national standards and/or state law.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$11,542	\$10,434	\$11,076	\$12,408	\$12,803	\$12,672
Reserves	7,982	7,999	7,599	7,673	7,414	7,393
Total Budget	\$19,524	\$18,433	\$18,675	\$20,082	\$20,217	\$20,065
FTEs	83.8	87.2	85.7	83.6	83.6	83.7

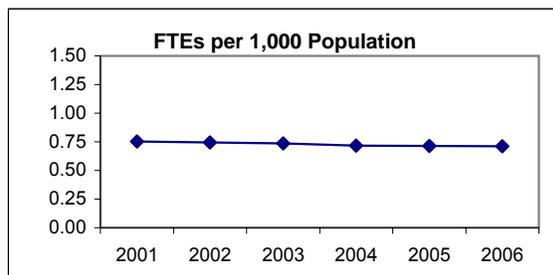
**Historical Trends**



\*2002 decrease is due to completion of CIP projects and a decrease in the Fire Department's share of debt service.

\*2004 increase is due to an increase in Homeland Security grant funding and an increase in CIP Funding to provide automatic fire sprinkler systems in five fire stations.

\*2006 decrease is due to a decrease in grant expenditures, the reallocation of FTEs to the Emergency Medical Services Program, further decreases in CIP funding, and maintenance and operating budget reductions.



\*Slight increase in FTE growth in 2002 due to the addition of eight firefighters for a second Light Force.

\*Slight decrease in FTEs in 2003-2006 is due to a reassignment of FTEs to the Emergency Medical Services program.

**1. Desired Program Outcomes:**

- A) Minimize the loss of life and property through training and rapid deployment of resources.
- B) Keep fires, not out on arrival of first arriving unit, confined to room of origin 85% of the time.
- C) Keep fires, not out on arrival of first arriving unit, confined to structure of origin 99% of the time.
- D) Provide quality management, administrative support, and training to the department.
- E) Minimize the loss of life and property through annual code enforcement inspection of commercial properties.

## V. PROGRAM OVERVIEW - FIRE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Efficiently and effectively extinguish fires.
- B) Provide rescue operations at emergency incidents.
- C) Provide basic State and Federal mandated training and other training recommended to maintain national standards.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its Desired Program Outcome)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Overall fire loss (\$000)	\$12,328	\$3,493	\$4,512	\$3,500	\$3,500	\$4,000	\$4,000
A) % of incidents where structure fire total response time (receipt of call to arrival) is 6 minutes or less	44%	49%	58%	90%	90%	90%	90%
A) % of incidents where structure fire travel time is 4 minutes or less	72%	71%	72%	90%	90%	90%	90%
A) % of incidents where structure fire turnout time is 1 minute or less	12%	11%	12%	90%	90%	90%	90%
A) % of incidents where structure fire call processing time is 1 minute or less	26%	42%	65%	90%	90%	90%	90%
A) # of lives lost per 100,000 population	0	0	0	0	0	0	0
B) % of fires confined to room of origin	93%	84%	93%	85%	85%	85%	85%
C) % of fires confined to structure of origin	99%	98%	98%	99%	99%	99%	99%
<u>Efficiency</u>							
B) Cost/\$1,000 property protected	\$0.46	NA	\$0.43	\$0.44	\$0.44	\$0.46	\$0.44
D) # FTEs per 1,000 population	0.63	0.64	0.63	0.63	0.65	0.62	0.62
<u>Workload</u>							
A) # of unit responses generated	8,896	9,441	9,720	9,200	9,400	9,800	10,000
B) # of fire & rescue service requests	3,969	4,338	4,416	4,200	4,300	4,500	4,600
D) # of annual fire inspections	4,453	3,811	3,763	4,800	4,800	4,000	4,000
D) # of annual individual training hours	22,808	31,739	37,501	24,000	24,000	33,000	32,000

### 4. **Program Notes:**

The Fire Department continues to meet the target for percent of fires confined to structure of origin and percent of fires confined to room of origin. The Department continues to fall below the target for percent of structure fire incidents with a total response time of 6 minutes or less; however, this has not yet affected the department's ability to have very good results in confinement of fires to room and structure of origin. The department is in the process of implementing several technology projects that will help to improve response times and the collection of response time data.

Efficiency Note: The assessed valuation and population numbers used include the communities of Beaux Arts, Clyde Hill, Hunts Point, Medina, Newcastle, Yarrow Point, and Fire District #14.

## VI. 2005-2006 CIP PLAN PROJECTS - FIRE

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### PUBLIC SAFETY

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PS-16	Renovation of Public Safety Facilities	O	\$1,380	\$7,555
PS-19	Public Safety Facility Studies	O	33	253
PS-26	Fuel Tank Renovation	AB	30	1,306
PS-53	Automatic Fire Sprinkler Retrofit	AB	200	388
TOTAL GENERAL GOVERNMENT			\$1,643	\$9,502

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

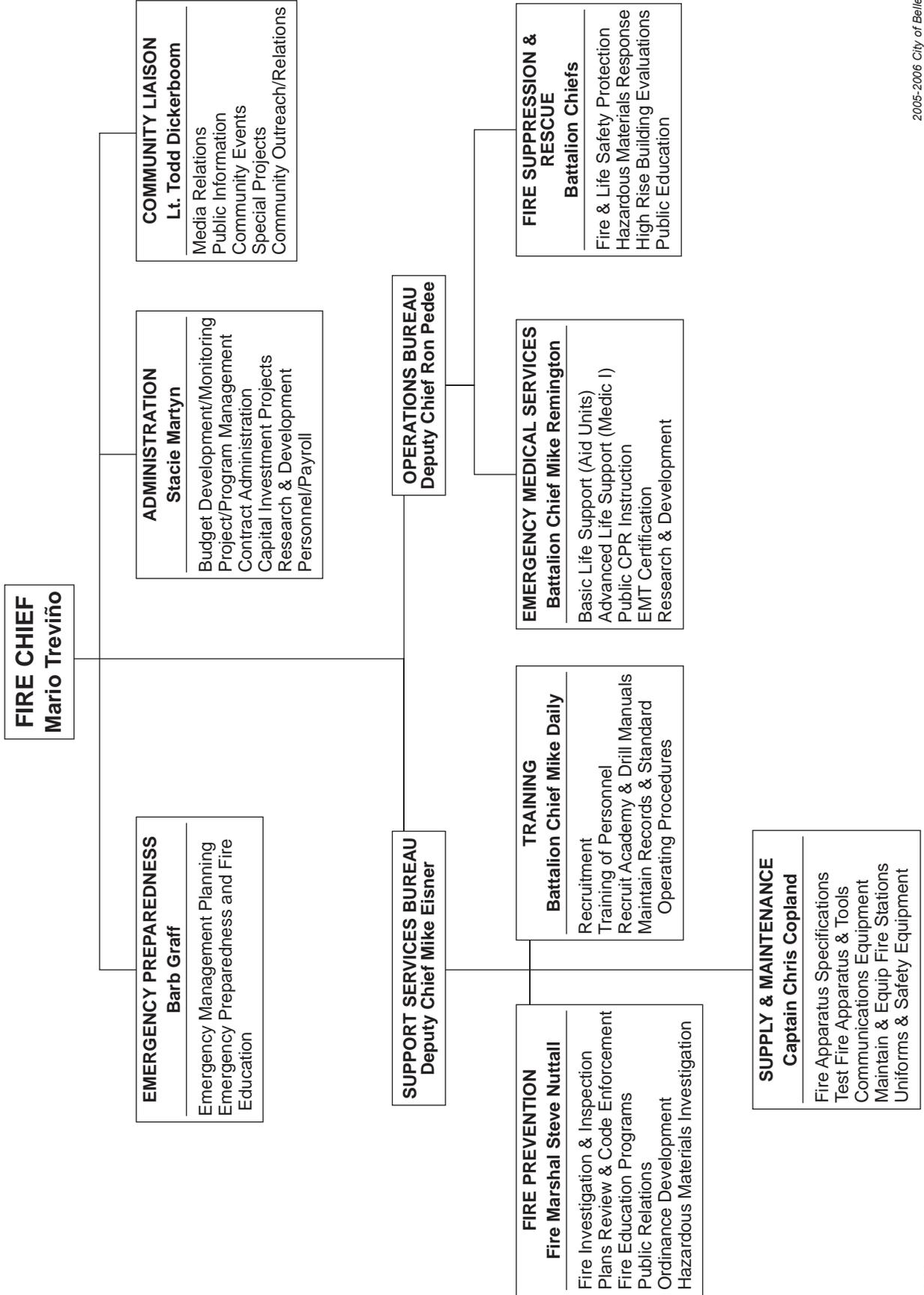
N = New

**FIRE**  
**FINANCIAL SUMMARY**  
 \$000

<b>COMPARISON</b>				
<u>Resources by Source</u>	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$16,018	\$15,390	(\$628)	(3.9%)
Restricted Revenues:				
Licenses & Permits	163	30	(133)	(81.6%)
Grants	608	947	339	55.8%
Intergovernmental Revenue	17,773	19,513	1,740	9.8%
Charges for Services	5	0	(5)	(100.0%)
Miscellaneous Revenue	884	926	42	4.7%
Operating Transfers	86	130	44	51.6%
Unrestricted Revenues	<u>33,077</u>	<u>36,368</u>	<u>3,291</u>	<u>9.9%</u>
Total Revenues	52,596	57,914	5,319	10.1%
<b>Total Resources</b>	<b><u><u>\$68,614</u></u></b>	<b><u><u>\$73,304</u></u></b>	<b><u><u>\$4,690</u></u></b>	<b><u><u>6.8%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$50,030	\$54,092	\$4,062	8.1%
LEOFF I Medical Reserve	696	1,186	490	70.3%
Special, Non-Operating Funds:				
Operating Grants & Donations	668	1,164	496	74.2%
Firemen's Pension	379	369	(10)	(2.6%)
Capital Investment:				
General CIP Fund	<u>1,451</u>	<u>1,643</u>	<u>192</u>	<u>13.2%</u>
Subtotal Expenditures	53,224	58,454	5,230	9.8%
Ending Fund Balance	<u>15,390</u>	<u>14,850</u>	<u>(540)</u>	<u>(3.5%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$68,614</u></u></b>	<b><u><u>\$73,304</u></u></b>	<b><u><u>\$4,690</u></u></b>	<b><u><u>6.8%</u></u></b>

# CITY OF BELLEVUE

## FIRE





# HOTEL/MOTEL TAXES

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

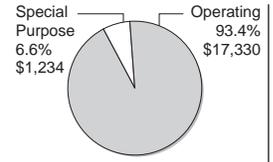


### Budget Data

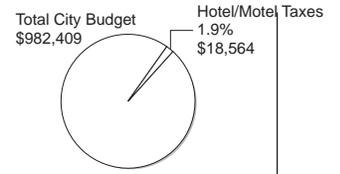
\$000

2005-2006 Budget	\$18,564
Change from 2003-2004:	(\$464)
Change per Capita:	(3.4%)
2005 FTEs:	0.0
2006 FTEs:	0.0
FTE Change from 2004 to 2005:	0.0
FTE Change from 2005 to 2006:	0.0
FTE Change per Thousand 2004 to 2005:	NA
FTE Change per Thousand 2005 to 2006:	NA

### Summary by Budget Type

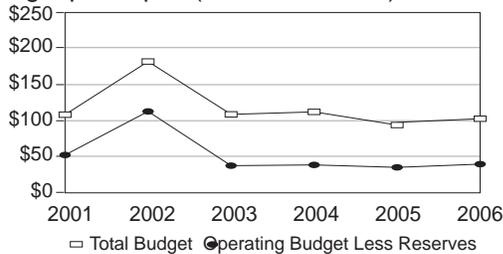


### Percent of Total Budget



### Historical Trends

Budget per capita (constant dollars)



- The spike in 2002 reflects the issuance of \$10.5 million in limited tax general obligation bonds (LTGO) for the purchase of the land beneath the Meydenbauer Center and future expansion/improvement options.
- The decrease in the total budget from 2004 to 2005 reflects the planned use of reserves to support debt service.

FTEs per 1,000 population

- No FTEs are budgeted in this department.

Not applicable

### Significant Budget Issues

- None

## **II. MISSION & GOALS**

The Hotel/Motel Tax Fund supports the City's economic and cultural development efforts provided by the City's hotel/motel tax by: remitting collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations; providing oversight of Meydenbauer Center; acting as liaison between the City and the BCCA; and continuing Meydenbauer Center expansion planning activities.

## **III. 2003-2004 WORK ACCOMPLISHMENTS**

1. Transferred hotel/motel taxes to the BCCA pursuant to the Operating Agreement between the City and the BCCA.
2. Continued expansion planning efforts with a study to determine the feasibility of a financial partnership with the Port of Seattle.
3. Began payment of debt service on Limited Tax General Obligation (LTGO) bonds issued in 2002.

## **IV. 2005-2006 MAJOR WORK INITIATIVES**

1. Transfer hotel/motel tax to the BCCA pursuant to the Operating Agreement between the City and the BCCA.
2. Continue Meydenbauer Center expansion activities.

**VI. OPERATING INVESTMENTS**

Not applicable.

**VII. OPERATING REDUCTIONS**

Not applicable.

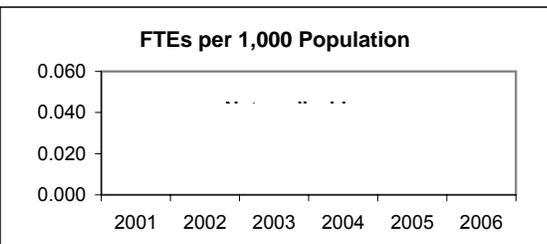
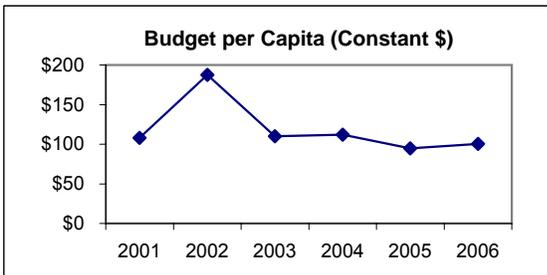
**V. PROGRAM OVERVIEW - HOTEL/MOTEL TAXES**

**Program:** Economic and Cultural Development

**Description:** This program supports the City's economic and cultural development efforts by remitting hotel/motel tax collections to the Bellevue Convention Center Authority (BCCA) in support of Meydenbauer Center operations; providing oversight of Meydenbauer Center; acting as liaison between the City and the BCCA; and continue Meydenbauer Center expansion planning activities.

**Initiatives:** Proceed with Meydenbauer Center expansion planning efforts.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$5,560	\$13,518	\$4,979	\$5,303	\$5,254	\$6,194
Reserves	6,474	9,019	8,486	8,746	6,924	7,116
Total Budget	\$12,034	\$22,537	\$13,465	\$14,049	\$12,178	\$13,310
FTEs	0.0	0.0	0.0	0.0	0.0	0.0



**Historical Trends**

\*The spike in 2002 reflects the issuance of \$10.5 million in Limited Tax General Obligation bonds (LTGO) for the purchase of the land beneath the Meydenbauer Center and future expansion/improvement options.

\*The decrease in the total budget from 2004 to 2005 reflects the planned use of reserves to support debt service.

\*Reserves include: 1) the \$1.5 million remaining unspent proceeds from the 1995 bond issue; 2) the \$3.3 million sales proceeds from the Old Convention Center Site; 3) the \$200,000 remaining from prior ground lease payments to the City from the BCCA; and 4) the \$1.9 million residual proceeds from the 2002 LTGO.

\*No FTEs are budgeted in this department. Staff support for this function is provided by the Finance Department.

**1. Desired Program Outcomes:**

- A) Assure Meydenbauer Center continues to provide economic stimulation to the community to create jobs, tax revenues, and commercial activity.
- B) Assure Meydenbauer Center is maintained and operated in a manner to present a high quality image to maintain its competitive position in the marketplace.
- C) Assure Meydenbauer Center is available for community events such as public meetings and performing arts while maintaining self-supporting status.
- D) Assure Meydenbauer Center is operated so that local hotel room use is maximized to support the hotel community.
- E) Proceed with expansion of Meydenbauer Center and other options for the City's economic and cultural development.

**2. Activities - Services provided to achieve outcomes:**

- A) Effectively act as a liaison between the BCCA and the City.
- B) Annually update with BCCA staff the BCCA Finance and Insurance Plans.
- C) Monitor and report on BCCA financial activity and operations.
- D) Jointly with BCCA staff, proceed with expansion planning process.
- E) Transfer hotel/motel tax revenues to the BCCA.

## V. PROGRAM OVERVIEW - HOTEL/MOTEL TAXES

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) \$ of economic impact generated (\$ millions)	\$16.6	\$14.3	\$14.6	\$13.2	\$14.5	\$14.5	\$14.5
A) # of Meydenbauer Center events	327	314	350	300	301	325	325
A) % of events target achieved - Meydenbauer Center	98%	94%	117%	100%	100%	100%	100%
B) Coverage ratio (operating revenues/operating expense)	82%	81%	81%	80%	80%	82%	82%
B) Customer service rating: quality of facility/equipment	95%	96%	97%	95%	95%	95%	95%
B) Customer service rating: food & beverage service/quality	97%	97%	96%	95%	95%	95%	95%
C) % of theater target achieved - days booked	99%	112%	102%	100%	100%	100%	100%
D) # of hotel nights generated (thousands)	13.8	10.8	10.9	8.0	10.0	11.0	11.0
D) % of time met room-night goals for hotels generated by Meydenbauer Center	73%	64%	136%	100%	100%	100%	100%
B) Theater days booked	298	271	291	285	285	290	290
B) # of Arts Performances	174	193	212	165	165	180	180
C) % of theater target achieved - performances	99%	118%	128%	100%	100%	100%	100%

### 4. Program Notes:

Significant future resources were secured for economic and cultural development when the City issued bonds which secured the 2% hotel/motel tax beyond the year 2005. Currently, pursuant to Council and BCCA Board direction, City and BCCA staff are working with developers to implement plans to expand Meydenbauer Center.

**VI. 2005-2006 CIP PLAN PROJECTS - HOTEL/MOTEL TAXES**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

## HOTEL/MOTEL TAXES

### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	2003-2004 Budget	2005-2006 Budget	\$ Change	% Change
Beginning Fund Balance	\$8,205	\$6,965	(\$1,240)	(15.1%)
Restricted Revenues:				
Hotel/Motel Taxes	8,140	9,931	1,791	22.0%
Miscellaneous Revenues	1,575	368	(1,207)	(76.7%)
Operating Transfers	1,034	1,227	193	18.7%
Unrestricted Revenues	<u>74</u>	<u>73</u>	<u>(1)</u>	<u>(1.4%)</u>
Total Revenues	10,823	11,599	776	7.2%
<b>Total Resources</b>	<b><u><u>\$19,028</u></u></b>	<b><u><u>\$18,564</u></u></b>	<b><u><u>(\$464)</u></u></b>	<b><u><u>(2.4%)</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$75	\$66	(\$9)	(12.0%)
Hotel/Motel Taxes Fund	9,174	10,149	975	10.6%
Special, Non-Operating Funds:				
Debt Service Regular	<u>1,034</u>	<u>1,234</u>	<u>200</u>	<u>19.4%</u>
Subtotal Expenditures	10,283	11,449	1,166	11.3%
Ending Fund Balance	<u>8,745</u>	<u>7,115</u>	<u>(1,630)</u>	<u>(18.6%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$19,028</u></u></b>	<b><u><u>\$18,564</u></u></b>	<b><u><u>(\$464)</u></u></b>	<b><u><u>(2.4%)</u></u></b>

**CITY OF BELLEVUE**  
**HOTEL/MOTEL TAXES**

**Staff support for administration of this budget  
is provided by the Finance Department.**

# HUMAN RESOURCES

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

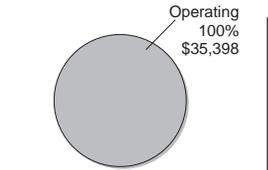


### Budget Data

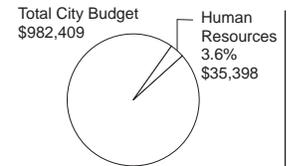
\$000

2005-2006 Budget	\$35,398
Change from 2003-2004:	\$6,852
Change per Capita:	22.8%
2005 FTEs:	14.7
2006 FTEs:	14.7
FTE Change from 2004 to 2005:	0.0
FTE Change from 2005 to 2006:	0.0
FTE Change per Thousand 2004 to 2005:	(0.6%)
FTE Change per Thousand 2005 to 2006:	(0.6%)

### Summary by Budget

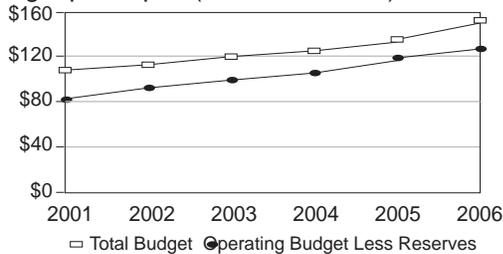


### Percent of Total



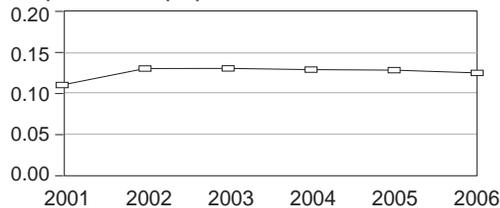
### Historical Trends

Budget per capita (constant dollars)



- Continued increase in total budget expenditures is a result of fluctuating health benefit reserves.
- No significant changes from 2003-2004 budget cycle, except for budget cut of \$19,000.

FTEs per 1,000 population



- 2.7 FTEs were transferred from Finance in mid 2002 due to the transfer of the Retirement Services division to Human Resources.

### Significant Budget Issues

- Continue to review and address healthcare cost containment issues.
- Implement the new JDE HR/Payroll system.
- Prepare HR and city staff for move to new building.
- Update HR's intranet site and on-line application process.

## II. MISSION & GOALS

Human Resources (HR) provides services in Compensation, Health Benefits and Retirement, Employee Relations, Labor Relations, Staffing, Training and Organizational Development, HRIS/Technology, and HR Administration. HR roles include specialists and generalists, consultants, trainers, policy drafters and interpreters, service providers, administrators, facilitators and mediators, investigators, and historians in all service areas.

Mission:

Human Resources is committed to employees by providing outstanding customer service and stewardship of resources by attracting, selecting, and retaining a high performance, diverse workforce.

Goals:

1. Balance fiscal stewardship with commitment to employees
2. Attract and retain a highly qualified, diverse workforce
3. Foster employee satisfaction
4. Promote employee productivity and high performance
5. Ensure compliance with laws and regulations
6. Maintain consistency when implementing policy, decisions, and direction.

## III. 2003-2004 WORK ACCOMPLISHMENTS

1. Compensation – The compensation system has been maintained and is current. The base salary compensation structure for all unrepresented classifications was adjusted by cost of living to maintain a competitive market position. Additionally, unrepresented classifications have been maintained so they accurately describe the current-day work activity performed in each classification. Information tracking was enhanced using existing manual methods (until such time as the City installs a Human Resource Information System).
2. Training – In 2003-2004, developed and implemented a full, high quality, on-line registration training program and realigned training to meet organizational goals and core values, such as:
  - Enhanced the Supervisory Pathways training program to reflect real-time HR issues and provide managers/supervisors with relevant skills they can use to effectively administratively manage their business process
  - Enhanced the Employee Leadership Development program to a total of nine modules and include skills that support career development plans
  - Continued to enhance a comprehensive learning and development web-site and expanded the on-line registration for all HR training
  - Increased training program course catalog by 10%, 175 classes completed, 1,015 employees trained
  - Increased the use of the tuition reimbursement program participation by 125%
  - Revitalized the Large Management Team Training Breakfast Networking event; 12 sessions were coordinated
  - Designed curriculum to facilitate completing accreditation of the Utilities, Parks, and Police departments
  - Streamlined the New Employee Orientation program to include more relevant topics
  - Facilitated 12 organizational development efforts in Team Vitality to City departments.

3. Organizational Development - Designed 25 employee development/career plans specifying competencies to be developed, showing linkage of competencies to business goals and measures, and individual growth goals and interests. Identified learning activities and outcomes needed to implement the plans, measures to evaluate the effective completion of the development cycle and specific support and guidance from managers to assure success.
4. Advanced Technology Changes – The following new technology initiatives were introduced by HR, with support from the IT Department as well as outside sources:
  - Bellevue Online Benefits (BOB) System – This Internet based system was developed in partnership with the Benefits Services Group, and was rolled out for Open Enrollment 2004 during November of 2003. All benefits eligible employees now use BOB to choose their initial medical, dental, vision and life insurance benefits, and current employees use BOB to request changes to their benefits due to life events (marriage, birth/adoption of a child, etc.). Estimated savings are approx. \$150,000 for the first 22 months of use, due to the reduction of HR staff time used to process paperwork and increased accuracy of eligibility reporting
  - File Transfer Protocol (FTP) – Human Resources now uses FTP exclusively to transmit sensitive employee-related information to comply with HIPAA Privacy Practices requirements. FTP is an efficient and virtually cost-free method for the secure exchange of data between Human Resources and its external vendors/partners, and ensures the City's compliance with all privacy requirements
  - Policies and Procedures Revision – Determined new organization structure of the Policy Manual in preparation to enable full text search in late 2004
  - Recruitment – Created new offer letter templates based on employment status (Regular, LTE, Temp/1040 and Student Intern) and eliminated two additional forms previously required by including necessary language in offer letters.
5. Retirement:
  - Led a competitive process to select a provider for the IRC Section 457 Deferred Compensation Program. Managed process to transition to new vendor
  - Increased the use of Retirement Planning Services through expanded services and improved communication
  - Completed the PERS 3 implementation process and implemented a revised procedures manual
  - Designed and implemented an expanded Retirement Education Program
  - Improved and clarified the Retirement section of the New Hire Orientation Program (Bellevue Beginnings)
  - Supported the City Attorney's Office effort defending a lawsuit relating to the Firemen's Pension.
6. Assisted with planning and implementation for conversion to JD Edwards software.
7. Labor Negotiations - Five labor contracts were settled and negotiations are ongoing for three labor contracts (one expired 12/31/03 and two expired 12/31/04).
8. Policies and Procedures Revisions – Updated, clarified, and/or finalized new policies in the Human Resources Policies and Procedures Manual.
9. Employment Status Guidelines – Employment Status Guidelines were drafted in 2000 and implemented January 1, 2001. In 2003, the City's practice and use of temporary employees was audited and reviewed and was found to be in compliance with the class action Settlement Agreement of the temporary employee lawsuit. This completes the two-year audit requirement.

10. Employee Benefits – In 2003 and 2004, employees were introduced to a new self service enrollment platform, Bellevue Online Benefits (BOB). Previous paper intensive processes were converted to a completely electronic platform accessed through a secured Internet portal. Open Enrollment for 2004 (held in November 2003) was conducted electronically, with over 1,000 employees going on-line to select and verify their benefit elections for 2004. Preliminary return on investment calculations estimate that BOB saves the City over 54% in transaction costs, estimated savings for 2004 are nearly \$122,000.

A focus on health care cost containment and cost management continued, with regular meetings of the Health Care Advisory Task Force. Preliminary findings show that City of Bellevue employees enjoy a robust benefit program which is similar to other municipal employers, but richer in benefit design than private employers. Employee cost sharing was introduced in 2004, with the City's contribution toward total benefit costs declining modestly from 91% to 90% in 2004, with a decrease to 88% planned for 2005. Benefit plan designs were modestly changed, helping to mitigate further cost increases. Plans for 2005 include a change of network provider, which is projected to save the City a minimum of \$500,000.

11. The streamlined administration of health and welfare benefits continued, enhanced by efficiencies gained by electronic management of benefits data through BOB.
12. Benefit Program Compliance - In 2004, the self-insured employee medical benefits program was examined by the State of Washington Office of Risk Management. The examination performed tests of compliance with state laws and regulation and the City was found to be in compliance.
13. Also in 2004, HIPAA Privacy regulations required the City to comply with important and significant provisions ensuring the safeguarding of health plan information created and maintained by the City of Bellevue Health Plan. A privacy compliance program was put into place, and the City's benefit program was 100% compliant by the HIPAA deadline of April 2004.
14. Wellness Program - the City's Wellness Program aimed at promoting healthy lifestyles and emphasizing the City's core value of "Commitment to Employees" continued in 2003 and 2004. Programs included Weight Watchers at Work, flu shots, health screenings, health and wellness benefits fairs and other activities.
15. Recruitment
- Worked closely with the Parks Department's Diversity Coordinator
  - Continued to maintain relationships with organizations that target minorities
  - Continued to advertise in diversity publications
  - Participated in local job fairs and seminars that attract a diverse audience
  - Worked with Bellevue Community College during mock interviews with English as a second language students.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

##### *Overall HR Department:*

1. JD Edwards One World ERP System – Work closely with ERP team to implement JDE system to replace legacy FMIS (Alpha) system. Implementation will be in phases over one to two years to implement major modules, including employee self service.

2. Policy and Procedures Manual and Civil Service Manual – Publish manuals utilizing electronic document management system to provide full text search capability, change tracking and storage of revised and original documents.
3. Performance Evaluation Process - Design and implement a city-wide performance evaluation process that will ensure consistency in format and rating.
4. Consolidate Core HR Services - Identify and analyze the practicality of centralizing key HR functions so departments can focus on their service deliverables.

***Goals by Functional Area:***

*Compensation:*

5. Support the installation of a new Human Resource Information System by providing necessary information on existing pay plans.

*Benefits:*

6. Continue to study ways to slow down the rapid acceleration of health benefits costs.
7. Plans for 2005 include Health Risk Appraisals, Disease Management for high cost claimants, and 24-hour access to medical and other health information through telephone and over the Internet.

*Labor:*

8. Complete negotiations on three labor contracts and successfully implement the terms of the agreements.

*Training, Organizational Development, and Communication:*

9. Implement and pilot video streaming for compliance training offered via the Intranet.
10. Enhance the long-term strategy for the career development of City employees, in conjunction with the citywide training group and departments.
11. Deliver centralized all-employee and supervisory training programs, and evaluate for effectiveness and improve accordingly.
12. Re-design the tuition reimbursement policy to enhance participation and explore raising the allocated limits due to rising tuition rates.
13. Enhance the Management Leadership Training Program (MLTP) to include 10% leadership skills training.
14. Develop a program for managers/supervisors to assist employees in mentoring opportunities.
15. Transition the training program to the New City Hall Learning Center.

*Staffing and Employee Relations:*

16. Refine and enhance the on-line application process.
17. Regularly review, update and communicate changes to the Human Resources Policies and Procedures Manual.
18. Continue to track and analyze turnover trends, turnover rate, attrition, and compare to other cities and communicate the results to appropriate personnel.

*HRIS/Technology:*

19. Overhaul HR intranet pages with new organizational structure and updated graphics for easier navigation and improved look.
20. Move online job application system to secure server and update code as needed.
21. Investigate additional electronic document management candidates, and if a system is available, begin converting paper documents into electronic versions for long term storage.

*Retirement:*

22. Continue to fully transition employees to new IRC Section 457 Deferred Compensation service provider.
23. Continue to expand retirement education program.
24. Evaluate potential advice program for retirement programs.
25. Evaluate potential loan program for Deferred Compensation program.

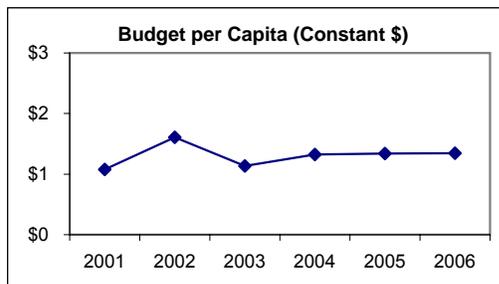
**V. PROGRAM OVERVIEW - HUMAN RESOURCES**

**Program:** Training

**Description:** This program includes all activities relating to providing centralized internal and external training, organizational development, and regular communications to employees.

- Initiatives:**
1. Maintain the online registration for city-sponsored training courses and events.
  2. Monitor the use and effectiveness of centralized training programs, deliver programs, and enhance or update the programs as necessary.
  3. Conduct a citywide training needs assessment.
  4. Provide employee career coaching and counseling as needed.
  5. Oversee the use of individual and departmental training plans for employee development and budget planning.
  6. Contribute relevant articles to HR staff and LT as needed.

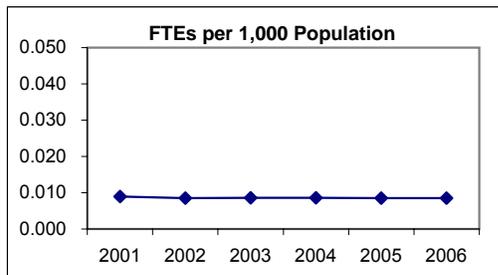
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$120	\$193	\$139	\$166	\$173	\$178
Reserves	0	0	0	0	0	0
Total Budget	\$120	\$193	\$139	\$166	\$173	\$178
FTEs	1.0	1.0	1.0	1.0	1.0	1.0



**Historical Trends**

\*Budget increase in 2002 due to carryforward of \$30,000 from 2001 and an approved increase of \$48,000.

\*The decrease in 2003 is a result of budget reductions and the removal of carryforward.



\*The ratio of staff to population has remained fairly constant over time.

**1. Desired Program Outcomes:**

- A) Manage city-wide training efforts to increase employee efficiency and morale by developing a skilled workforce capable of providing outstanding internal and external customer service.
- B) Establish and maintain effective employee communication processes that articulate city-wide core values and support employee development and involvement.

**2. Activities - Services provided to achieve outcomes:**

- A) Develop training and skills development programs that support and advance the attainment of organizational goals and initiatives.
- B) Design record keeping and measurement systems to determine the success and effectiveness of the programs offered.

## V. PROGRAM OVERVIEW - HUMAN RESOURCES

### 2. **Activities - Services provided to achieve outcomes: (Continued)**

- C) Use the Intranet and other forms of communication to get relevant, useful information to employees in a timely manner.
- D) Develop training and skills development programs that provide and assess skills relevant to the recipient's current or future job responsibilities.
- E) Develop training and skills development programs that provide value to both the sponsor of the training program (the organization) and the recipient of the training program (the student).
- F) Measure the value of all training and skills development programs against the attainment of organizational goals and objectives.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Increase # of city-sponsored employee training hours in critical areas such as sexual harassment, cultural awareness, work-place violence, supervisory, etc.	17%	65%	(44%)	5%	10%	0%	0%
A) Achieve 100% utilization of the tuition reimbursement funds	82%	101%	109%	100%	100%	100%	100%
A) % of staff who rate training classes "very good" to "excellent"	94%	98%	95%	87%	90%	95%	95%
<u>Efficiency</u>							
A) Total centralized HR training investment per FTE	\$62	\$50	\$35	\$75	\$80	\$35	\$35
A) Vendor-delivered training costs per program participant	NA	\$120	\$56	\$45	\$50	\$56	\$56
<u>Workload</u>							
A) # of hours spent delivering training sessions	273	560	290	400	400	300	300
A) #of hours of internal organizational development consulting	210	120	474	600	600	500	500
A) # of administrative hours spent planning, coordinating, documenting, evaluating, developing curriculum and classroom materials for training and relevant programs	400	840	870	810	810	850	850
A) # of training classes facilitated or coordinated	91	136	84	80	90	75	90
A) # of hours spent on developing communications medium (intranet) to announce and promote training programs	NA	150	134	78	78	150	150

### 4. **Program Notes:**

Human Resources staff will continue to design, publicize, schedule, and deliver high quality, cost effective programs based on employee/management training needs. It is the mission of the organizational development and training process to provide the highest quality training and development opportunities to all city employees. Programs enhance the core competencies critical to the continued success of the city and to the personal and professional development of each individual.

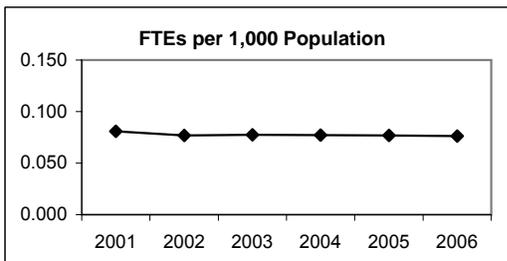
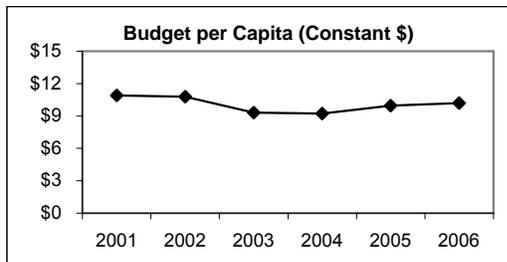
**V. PROGRAM OVERVIEW - HUMAN RESOURCES**

**Program:** Staffing

**Description:** This program includes recruitment and selection, equal employment opportunity and affirmative action, civil service, drug testing, employee leaves, policies and procedures interpretation, workforce planning, counseling/coaching managers and employees on employee relation issues, investigations, performance management, compensation administration, job description and classification reviews, internal and external salary surveys, data entry and verification, technology projects, all activities relating to labor relations (mediation, contract negotiations, interpretation, arbitration, and grievance administration), HR technology, and HR administrative support. The City strives to achieve a balanced workforce reflective of the gender, ethnic, and cultural mix of the local labor market. Activities are also undertaken to assure compliance with all applicable federal, state, and local laws, city policies and procedures, and union contracts.

- Initiatives:**
1. Monitor non-regular status employee usage to ensure departments are complying with established employment status requirements.
  2. Maintain the online job application process.
  3. Design and implement an integrated performance management system.
  4. Review and revise as necessary the Human Resources Policies and Procedures Manual.
  5. Prepare and distribute quarterly reports that track and monitor city-wide staffing trends.
  6. Provide proactive coaching and counseling to managers in order to immediately address employee performance issues, especially long-term employees with sustained poor performance.
  7. Establish and maintain processes for monitoring FMLA, unpaid leave, ADA accommodations, performance issues, investigations, etc.
  8. Conduct investigations on claims of harassment, discrimination, and other employee complaints.
  9. Manage labor negotiation processes with the goal of reaching agreement within set timeframes.
  10. Interpret labor contracts and train appropriate staff on contract administration.
  11. Oversee third-step union grievances that are referred to HR.
  12. Administer and maintain the compensation structure.
  13. Maintain the job description database to use with on-line advanced technology projects.
  14. Develop and maintain automated HR management information and trend reports.
  15. Work with ERP team to implement electronic approval routing processes for HR related process, such as PCNs, position requisitions, temporary usage requests, etc.
  16. Enhance and maintain the HR Intranet website.
  17. Manage the accuracy of electronic HR data.
  18. Ensure compliance of privacy regulations regarding access to electronic HR data/information.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,214	\$1,294	\$1,140	\$1,159	\$1,284	\$1,352
Reserves	0	0	0	0	0	0
Total Budget	\$1,214	\$1,294	\$1,140	\$1,159	\$1,284	\$1,352
FTEs	9.0	9.0	9.0	9.0	9.0	9.0



**Historical Trends**

\*The decrease in 2003 is the result of budget reductions and the removal of carryforwards.

\*The ratio of staff to population has remained fairly constant over time.

## V. **PROGRAM OVERVIEW - HUMAN RESOURCES**

### 1. **Desired Program Outcomes:**

- A) Manage the recruitment and selection process to ensure the process is objective, unbiased, and focused on diversity outreach.
- B) Effectively and efficiently monitor non-regular status employee usage to ensure departments are complying with established employment status requirements.
- C) Ensure the online job application system is user-friendly, efficient, fair, and effectively decreases HR's administrative effort to track applicants through all phases of a recruitment.
- D) Integrate the performance management system to include development plans, performance review templates, performance measurement tools.
- E) Reduce number of employee relations issues in which poor performance has been tolerated too long (in some cases years) and sick leave abuse and poor performance are handled in a proactive, effective manner.
- F) Effectively monitor and assist employees on Family Medical Leave Act (FMLA - Federal), Family Care Act (WA State), unpaid leave, and ADA accommodation tracking.
- G) Clarify ambiguous policies so employees, managers, and Human Resources personnel can consistently interpret and apply.
- H) Ensure employee complaints are handled in a timely manner and all parties involved are provided a written outcome of results.
- I) Effectively implement and monitor the city-wide retention policy and ensure that every reasonable effort is made to transfer/integrate employees who are affected by organizational change in workforce.
- J) Manage employee relations to ensure issues are handled in a timely, effective manner and outcomes are in compliance with federal, state, and local laws as well as city policy and/or union contracts.
- K) Negotiate labor contracts in which agreements are reached without going to impasse or arbitration, if possible.
- L) Reduce the number of employee grievances reaching the final step by resolving the issue at the lowest level of management.
- M) Facilitate two-way communication between union employees and management.
- N) Manage a compensation program reflective of the city's philosophy toward total compensation.
- O) Route approvals faster and more efficiently using advanced online technology.
- P) Reduce redundancies of HR data stored throughout the city.
- Q) Update business processes related to all aspects of HR data management as needed.
- R) Enhance online job application process to improve ease of use for applicants and hiring managers.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Human Resources Policies and Procedures Manual clearly organized with links and an index, and available to employees by printed copy and electronically via the Intranet.
- B) Provide supervisory training to managers to proactively identify poor performance and determine appropriate course of action, ensuring tools are available to make proper decisions.
- C) Maintain logs to track FMLA and unpaid leave usage, ADA accommodations, and employee relations data.
- D) Direct and oversee the negotiation process for the City's eight bargaining units in accordance with Washington state labor relations statutes; jointly develop bargaining strategies; articulate the City's interests as directed by the City Manager; pursue contracts consistent with the City's compensation philosophy for wages and benefits.
- E) Manage the process for union grievances.
- F) Interpret union contracts.
- G) Oversee compensation activities.
- H) Continually enhance the HR website so electronically updated information can be easily obtained.
  - I) Establish a process for routing approvals electronically when ERP system is available.
- J) Evaluate and document business processes, implementing changes incrementally.
- K) Document security and privacy measures to ensure compliance with federal (HIPPA) guidelines.
- L) Implement survey of users of Online Job Application system.

### 3. Performance Measures:

Note: Some performance measures are identified with a "\*" because they are not controlled by Human Resources, but are tracked to show overall organization effectiveness. Staffing and Employee Relations performance measures are regularly tracked and monitored through quarterly reports.

		2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>								
J)	% of new hires who complete the trial service period *	91%	82%	87%	95%	95%	90%	90%
J)	Average length of service for those employees who voluntarily resign *	5 yrs	2.5 yrs	3yrs	8 yrs	10 yrs	10 yrs	10 yrs
J)	% of exit interviews completed *	40%	51%	65%	80%	90%	100%	100%
A)	Average % of minority applications per recruitment *	13%	26%	27%	25%	25%	30%	35%
A)	% of minority candidates interviewed *	16%	20%	16%	20%	20%	20%	20%
A)	% of minority candidates hired *	14%	15%	10%	20%	22%	15%	18%
A)	Workforce diversity (race and gender) as a % of total workforce *	14%	13%	13%	15%	18%	14%	15%
E)	% of employee relation situations due to abuse of sick leave and/or poor performance	NA	24%	40%	50%	30%	30%	30%
B)	% of non-regular status employees HR has determined are in non-compliance with the Employment Status Guidelines *	NA	NA	1%	5%	1%	1%	1%
C)	% of applicants who use the on-line job application system	NA	96%	97%	95%	95%	98%	98%
J)	% of employee relation situations that result in involuntary termination of employees with 10 or more years experience	NA	4%	5%	20%	10%	10%	10%
G)	% of policy manual revised	NA	0%	5%	50%	100%	75%	75%
F)	% of ADA-identified employees successfully placed into a new position at the City of Bellevue or elsewhere *	NA	0%	0%	50%	65%	65%	70%
I)	% of staff successfully redeployed internally and/or externally *	NA	NA	0%	75%	75%	75%	75%
K)	% of union negotiations completed within set timeframes	100%	50%	40%	50%	75%	N/A	67%
L)	% of grievances resulting in agreement or resolution	NA	60%	56%	90%	90%	90%	90%
M)	% of unions that met informally to facilitate two-way communication between union employees and management (LMCC)	NA	75%	100%	50%	75%	100%	100%
N)	Average length of time (in days) to complete a classification review from the time it is received in HR to	37	30	24	35	35	12	12
N)	% of upward classification reviews	71%	49%	73%	50%	50%	75%	75%
N)	% of downward classification reviews	NA	51%	12%	50%	50%	15%	15%
R)	% of total applicants that have complaints about the online job application system	NA	2%	N/A	6%	3%	3%	2%

**3. Performance Measures: (Continued)**

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Efficiency</u>							
A) Average weeks to fill a position (from job posting to job offer)	9	8	4	5	4	4	4
K-M) 3rd party cost for outside investigator, attorney, and/or arbitration fees	\$76,000	\$0	\$26,000	\$50,000	\$20,000	\$25,000	\$25,000
N) # of hours to enter/verify personnel data actions per pay cycle	18	20	18	16	16	16	10
Q) Avg # of hours/week processing paper forms for basic HR data collection/changes	10	8	8	7	5	5	4
Q) % of improved HR processes due to the use of technology	NA	NA	73%	10%	20%	50%	35%
<u>Workload</u>							
A) # of recruitments coordinated	163	73	67	100	125	125	125
A) Total number of applicants	5,500	4,581	5,148	6,000	6,000	9,000	13,500
A) Average number of applicants per recruitment	21	63	66	80	90	150	200
A) # of career fairs attended/ outreach activities	4 (16)	1(3)	1(2)	10 (20)	10 (20)	2 (3)	2 (3)
A) # of civil service testings *	7	4	22	10	10	10	10
A) # of exit interviews completed	40	35	52	75	75	70	70
J) # of employee relations issues handled by HR	45	45	57	50	50	60	60
F) # of employees who took FMLA *	NA	84	84	80	80	100	100
N) # of salary surveys conducted	3	4	6	7	6	5	5
N) # of classification reviews	102	35	30	40	40	50	50
N) # of major salary surveys completed in order to obtain	7	4	4	3	3	3	3
F) # of employees being assisted with ADA accommodations *	NA	3	4	5	5	5	5
J) # of employees provided outplacement *	NA	3	4	5	5	4	4
H) # of internal investigations conducted by HR	NA	4	4	7	7	5	5
H) # of external investigations conducted by outside consultant	NA	4	8	5	5	5	5
I) # of employees identified for redeployment *	0	0	0	9	9	2	7
K) # of labor contracts successfully negotiated and implemented	1	1	3	7	1	2	N/A
L) # of union grievances filed	3	10	9	5	5	5	5
M) # of informal labor/management committee meetings (LMCC)	NA	12	22%	25	25	25	25

**4. Program Notes:**

The Human Resources Department will continue to work closely with both management and staff to foster a positive, accepting work environment which is effectively aligned with the City's strategic direction.

**V. PROGRAM OVERVIEW - HUMAN RESOURCES**

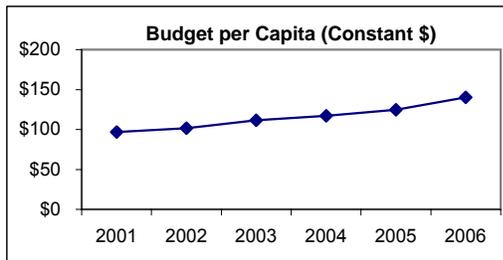
**Program:** Benefits

**Description:** This program includes all activities relating to benefits administration, retirement services administration, and oversight of the employee assistance and wellness programs.

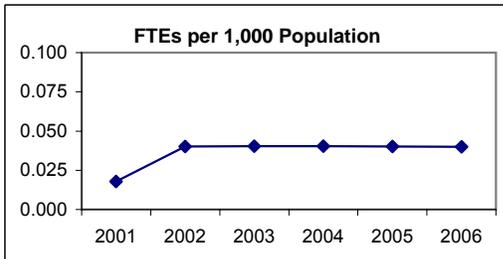
**Initiatives:**

1. Maintain and enhance the wellness program.
2. Develop a six year strategic plan to manage employee benefit cost increases.
3. Streamline and coordinate administration of retirement services functions.
4. Provide ongoing assurance that the fiduciary responsibilities of retirement services are being addressed and the City's liability is minimized.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$7,882	\$9,909	\$11,255	\$12,078	\$13,829	\$15,425
Reserves	2,916	2,297	2,380	2,608	2,229	3,158
Total Budget	\$10,798	\$12,206	\$13,635	\$14,687	\$16,058	\$18,583
FTEs	2.0	4.7	4.7	4.7	4.7	4.7



**Historical Trends**  
 \*Expenditure growth reflects the impact of the steady growth in health care benefit costs.



\*In 2002, 2.7 FTEs were transferred to the new Retirement Services Division.

**1. Desired Program Outcomes:**

- A) Manage a benefits program reflective of the City's philosophy toward total compensation.
- B) Manage retirement services to provide stewardship of retirement assets and to inform employees of their retirement options so they can make informed decisions to optimize their retirement benefits.
- C) Maintain and enhance employee wellness program and activities.
- D) Provide employees access to electronic HR documents and information is user-friendly and current.

**V. PROGRAM OVERVIEW - HUMAN RESOURCES**

**2. Activities - Services provided to achieve outcomes:**

- A) Maintain an appropriate funding balance for health benefits between reserves, stop-loss levels, and claims activity.
- B) Remain current with emerging health care and benefit trends, meet with employee groups to address issues, and distribute city-wide communications regarding benefit options.
- C) Provide a wellness program that presents opportunities for employees to learn more about the benefits of maintaining good health.
- D) Oversee retirement services activities to provide education, services, and committee support.
- E) Provide staff support to the Health Care Advisory Task Force to review current plan costs and make recommendations on funding strategy, plan design, and employee cost sharing.

**3. Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Efficiency</u>							
A) Avg # of hours/week responding to health benefit questions	NA	6	2	4	2	2	2
B) Avg # of hours/week responding to retirement questions	NA	62	52	35	40	40	40
D) Avg # of hours/week to respond to requests for personnel data	4	4	3	3	3	3	2
<u>Workload</u>							
C) # of wellness programs administered	NA	7	3	4	5	6	6
B) # of retirement/resignation reviews	NA	88	115	96	100	105	105

**4. Program Notes:**

In 2003, the HCATF was convened to develop long-term health care cost containment strategies.

Retirement Services successfully managed the transition to providing the Department of Retirement Systems PERS 3 plan to all eligible employees

**VI. 2005-2006 CIP PLAN PROJECTS - HUMAN RESOURCES**

There are no Capital Investment Program (CIP) Plan projects for this department in this budget period.

## HUMAN RESOURCES

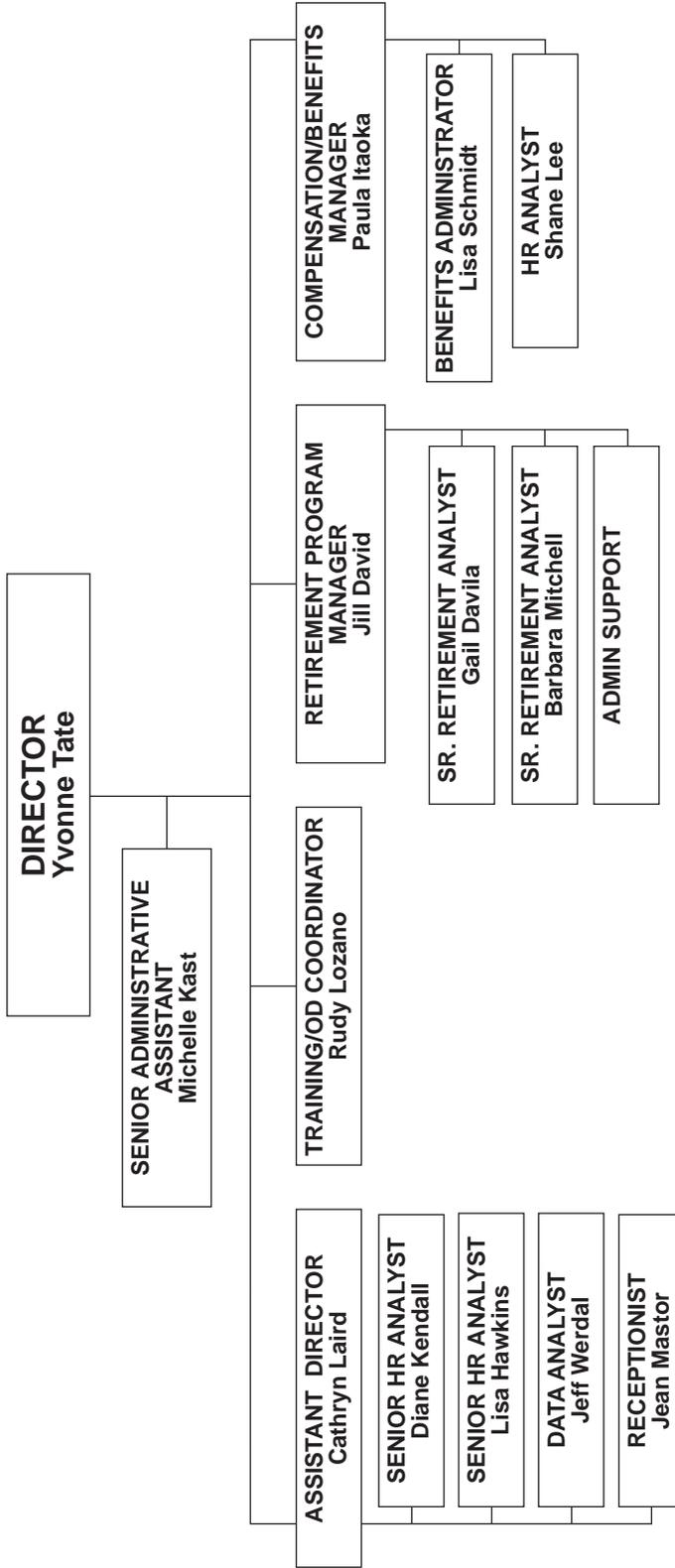
### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$2,297	\$2,608	\$311	13.5%
Restricted Revenues				
Miscellaneous Revenues	22,895	30,227	7,332	32.0%
Unrestricted Revenues	<u>3,354</u>	<u>2,563</u>	<u>(791)</u>	<u>(23.6%)</u>
Total Revenues	26,249	32,790	6,541	24.9%
<b>Total Resources</b>	<b><u><u>\$28,546</u></u></b>	<b><u><u>\$35,398</u></u></b>	<b><u><u>\$6,852</u></u></b>	<b><u><u>24.0%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$3,272	\$3,738	\$466	14.2%
Health Benefits Fund	<u>22,666</u>	<u>28,502</u>	<u>5,836</u>	<u>25.7%</u>
Subtotal Expenditures	25,938	32,240	6,302	24.3%
Ending Fund Balance	<u>2,608</u>	<u>3,158</u>	<u>550</u>	<u>21.1%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$28,546</u></u></b>	<b><u><u>\$35,398</u></u></b>	<b><u><u>\$6,852</u></u></b>	<b><u><u>24.0%</u></u></b>

# CITY OF BELLEVUE

## HUMAN RESOURCES DEPARTMENT

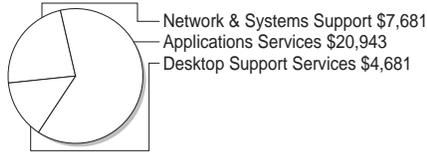




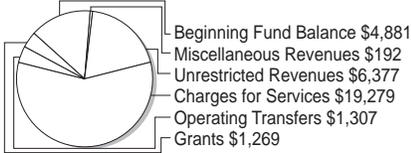
# INFORMATION TECHNOLOGY

## I. BUDGET OVERVIEW

### Expenditures



### Resources

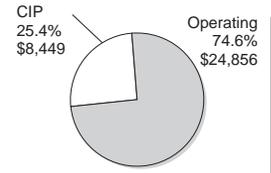


### Budget Data

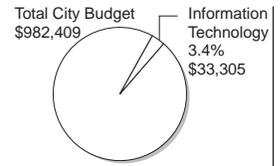
\$000

<b>2005-2006 Budget</b>	<b>\$33,305</b>
<b>Change from 2003-2004:</b>	<b>(\$535)</b>
<b>Change per Capita:</b>	<b>(2.5%)</b>
<b>2005 FTEs:</b>	<b>46.6</b>
<b>2006 FTEs:</b>	<b>46.6</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(4.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(8.5%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

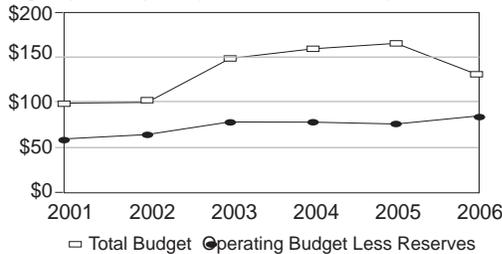


### Percent of Total Budget

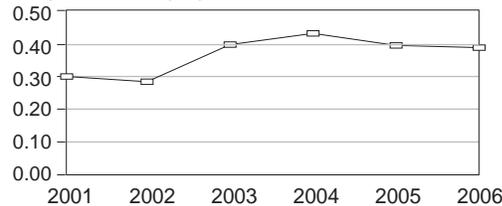


## Historical Trends

Budget per capita (constant dollars)



FTEs per 1,000 population



- The increase in the 2003-2004 budget per capita reflects the realignment of technology resources from other departments into Information Technology, and the capital and operating costs associated with the replacement of the Finance/Human Resources systems. The 2005 budget increase is due to Public Safety project implementation costs which will provide wireless services to Eastside agencies.
- These increases are offset by annual operating expenditure reductions achieved through operational efficiencies, contract consolidations, and significantly reducing operating reserves in response to a City wide spending decrease driven by economic conditions.
- The increase in FTEs in 2003-2004 is the result of the consolidation of City-wide technology services into the Information Technology Department. The decrease from 2004 to 2005 is due to efficiencies gained as a result of the above consolidation and a decrease in projects requiring significant Project Management oversight.

## Significant Budget Issues

- The Information Technology budget increased in 2003 through 2005 primarily due to 1) the realignment of technology resources from various departments into the Information Technology Department to support Council's priority to redesign service delivery to provide single points of more tightly integrated services; 2) the replacement of the City's legacy Financial/Human Resources system to support significant business process reengineering, reduce the risk of system failures, decrease redundant and inconsistent data, improve security, and create potential for regional partnerships; 3) the expansion of Public Safety Wireless services to neighboring Eastside agencies to enhance accuracy, safety, and efficiencies in utilizing public safety resources.
- Technology resources have generally been stable and more available due to the downturn in economic conditions. ITD has been able to leverage those conditions to reduce ongoing operational expenses and achieve reserve targets. However, as the market improves, the demand for qualified technicians is on the rise making it more difficult and expensive to find technicians that are well trained and experienced.

## II. **MISSION & GOALS**

*Use technology to enhance community participation and provide exceptional public service.*

- Bring City services to customers' doorsteps
- Make information easily and broadly available
- Promote active community involvement and participation
- Facilitate affordable high-speed connectivity solutions throughout the community
- Play a leadership role in utilizing technology to enable regional service delivery
- Strengthen operational efficiencies
- Leverage investments to improve the quality of service

## III. **2003-2004 WORK ACCOMPLISHMENTS**

### Infrastructure, Planning, and Support

1. Renegotiated IT support & service contracts saving \$400,000 over three years.
2. Centralized PC procurement saving \$15,000 in 2003 and \$40,000 in 2004 through batch purchasing volume discounts.
3. Migrated the Alpha-based Fleet system to the Utilities Maximo system.
4. Implemented a single point of contact Call Center for all IT related issues. Centralized point of contact improves response, tracking, and documentation for technology related problems, issues, and trends.
5. Implemented a managed anti-virus system that monitors all computers that are connected to the network. The system proactively pushes current anti-virus definitions to all connected computers and proactively identifies and notifies ITD of infected equipment.
6. Extended high speed data network to all City satellite offices (net savings of \$111K per year).
7. Enhanced network/server security through periodic vulnerability scanning, more frequent server patching, a third party security assessment, and additional security friendly infrastructure equipment.
8. Implemented server virtualization technology to reduce the growth of servers and escalation of maintenance costs.
9. Introduced spam filtering to reduce the amount of unwanted and undesirable email.
10. Reduced costs and provided for ongoing savings by centralizing IT services for effective and efficient delivery of services, eliminating redundancy of effort, and better utilization of existing resources.
11. Updated Technology Strategic Plan.

## Products – Applications

12. Completed the Neighborhood Outreach Portal which provides residents with easy access to information about projects and happenings in their neighborhood – or citywide.
13. Developed the Internet Geographic Information Web Browser creating an interactive access to a myriad of detailed City information in a spatial format.
14. Designed and implemented the Economic Development Web Site which facilitates business relocation and retention for Bellevue and the region.
15. Expanded on-line building permits to include new types of permits available on-line.
16. Expanded interactive voice recognition services to Development Services Improvement (DSI) clients.
17. Finalized contracts and started implementation of the Public Safety Wireless System that will allow Public Safety vehicles access to information via laptop computers.
18. Finalized contracts and completed implementation of phase I - core financials of the New Financial and Human Resources Replacement System.
19. Finalized contracts and started implementation of the Enterprise Point of Sale System.
20. Finalized contracts and completed implementation of the Utilities Customer Information System (City-wide Utility billing system).
21. Finalized contracts and completed implementation of the Parks Registration System.
22. Implemented on-line Parks Registration System.
23. Selected product and finalized contract of the Electronic Document Management system.
24. Selected vendor, finalized contract, and obtained Ortho Photos for City in consort with several other local cities.

## **IV. 2005-2006 MAJOR WORK INITIATIVES**

### Infrastructure, Planning, and Support

1. Successfully move technology infrastructure to New City Hall.
2. Develop coherent media strategy for convergence of cable and web content to leverage those investments.
3. Enhance disaster recovery capabilities for our Exchange email system and other high priority City systems.
4. Enhance network storage, backup, and data protection needs.
5. Enhance procurement processes to support competitive procurement and economic development objectives.

6. Facilitate and support Development Services Improvement (DSI) and Service First initiatives.
7. Continue work on strategic planning for regional public safety integration.
8. Expand regional public safety wireless use and applications.
9. Explore regional cultural arts cable/web content to support cultural arts objectives.
10. Support court-development efforts if needed.
11. Explore and facilitate partnerships to leverage city assets and expand network options for schools and hospitals.
12. Explore ways to leverage City assets to provide public wireless access points to support economic development initiatives and ensure convenient access to City on-line services and information.

#### Products – Applications

13. Continue to expand and leverage the City's new Financial and Human Resource computing Investment (JDE):
  - a. Payroll
  - b. Self-Service employee benefits
  - c. Self-Service Timekeeping
  - d. Implement enterprise asset management and work order processing
  - e. Address redundant stand-alone asset management systems
  - f. Implement web-based citizen request and tracking system
14. Implement on-line customer utility billing and account access.
15. Complete implementation of phase 1 for Electronic Document Management system.
16. Select product and implement video streaming system.
17. Complete implementation of the Public Safety Wireless project including system for Regional agencies.
18. Expand regional use of NWproperty.net to support economic development.
19. Expand functionality and regional use of mybuildingpermit.com.
20. Enhance on-line recreation functionality to include facilities booking and ball field scheduling.
21. Facilitate regional use of web-based GIS browser. Enhance functionality.

**V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY**

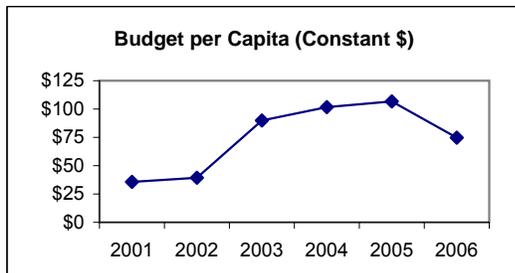
**Program:** Applications Services

**Description:** This program is responsible for the procurement, development, and ongoing management and maintenance of computer applications to ensure that consistent and cost-effective technologies are applied to the delivery of municipal services.

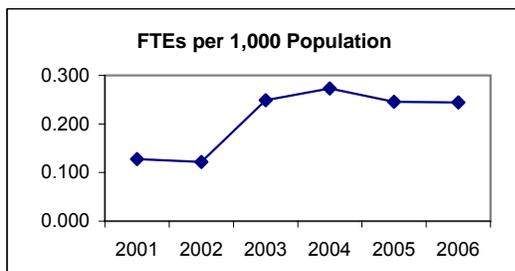
- Initiatives:**
1. Facilitate process improvements by consulting with departments to analyze their business processes and information requirements, and identify opportunities for efficiency gain.
  2. Partner with outside agencies, including businesses and other governments, to develop and implement solutions to achieve savings and improve service delivery for all. This includes application procurement and development as well as regional data coordination and sharing.
  3. Leverage technology to increase data accuracy, improve staff efficiency, and eliminate data redundancy.
  4. Work with departments to develop, prioritize, and establish information technology projects that support the City's business and service delivery strategies.
  5. Establish standards and policies for project management, applications procurement, implementation, development, and maintenance. Identify and address training and knowledge needs. Select tools for implementing new applications and develop repository of best practices for project management, system implementation, development, and maintenance.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$3,245	\$3,003	\$8,783	\$10,213	\$11,037	\$7,650
Reserves	721	1,715	2,196	2,558	2,694	2,256
Total Budget	\$3,966	\$4,718	\$10,980	\$12,771	\$13,732	\$9,906
FTEs	14.2	14.2	29.0	31.8	28.8	28.8

**Historical Trends**



\*The change from 2002-2004 is associated with Public Safety, Enterprise Resource Planning project (ERP), and distributed Information Technology resources being consolidated into the Information Technology Department. In 2005, the Public Safety Wireless project was expanded to include Eastside agencies. This project as well as the ERP project are planned to be completed by the end of 2005 and 2006, respectively.



\*The FTE increase from 2002-2004 is due to positions from various departments being consolidated into the Information Technology Department to support all applications and to centralize the ERP team. A corresponding decrease is reflected in other departments as a result of the realignment. The decrease from 2004-2006 is due to GIS efficiencies gained as a result of the above consolidation and a decrease in projects requiring significant Project Management oversight.

**1. Desired Program Outcomes:**

- A) The appropriate technology is applied to enable business strategies that produce operating efficiencies and enhance customer service delivery.
- B) Information is treated as a strategic asset and is readily available to facilitate decision making and support program management.
- C) Systems comply with City standards and industry best practices.
- D) Applications are managed from an enterprise perspective with a view towards consolidation and reducing redundancy.
- E) Innovative, but proven, technologies are implemented.

## V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY

### 2. **Activities - Services provided to achieve outcomes:**

- A) Work with departments to initiate potential projects, identify alternatives, and build business cases.
- B) Plan projects to clearly define scope, align needed resources, and define project schedules.
- C) Ensure projects are delivered on time, within budget, and meet customer expectations through careful project monitoring and execution.
- D) Provide full life-cycle software development for interfaces and applications, including web, wireless and GIS.
- E) Provide day-to-day maintenance and operations support of major technology applications.
- F) Provide GIS services, including data maintenance, GIS analysis, and map and data requests.
- G) Establish standards for project management, application procurement, development, implementation, and maintenance.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>	<b>Target</b>
<u>Effectiveness</u>							
A) Percent of customers rating level of consulting services for business analysis & system design as good to excellent*	69%	78%	81%	78%	80%	80%	80%
B) Percent of customers rating the maintenance and support provided for their application(s) as good to excellent *	77%	80%	84%	78%	80%	80%	80%
E) Percentage of customers rating support for application development as good to excellent *	NA	NA	76%	78%	80%	80%	80%
C) Percent of project delivered on time within budget including specified functionality	NA	NA	75%	75%	75%	80%	80%
<u>Efficiency</u>							
A) Difference between the internal hourly rate for Consulting Services versus external rate	79/105	74/110	65/140	79/150	82/150	74/140	78/140
<u>Workload</u>							
D) Number of staff members accessing GIS Web browser	NA	NA	415	150	175	500	500
D) Number of Applications	NA	110	167	NA	NA	170	170

\*Normal problems encountered in the implementation of new systems are expected to impact overall customer satisfaction.

### 4. **Program Notes:**

Several measures are newly formulated and are intended to assess the degree of success in applying automation to achieve business objectives both from the customer's perspective (via survey results) and actual measures of IT's productivity in terms of accuracy and work quality.

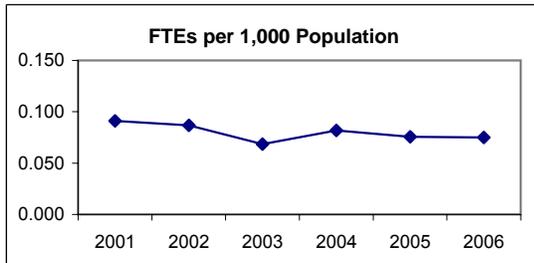
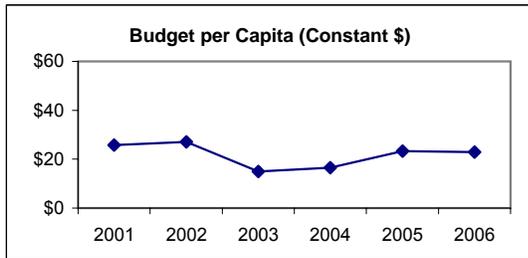
**V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY**

**Program:** Desktop Support Services

**Description:** Provides direct support and service for all automated desktop equipment. Service delivery goals include optimizing use while minimizing cost, maintaining and replacing equipment in the most cost-effective manner possible, and providing a secure environment within which the City can safely conduct business. Service delivery is structured around the philosophy of single point of contact. Services provided include development and maintenance of hardware/software standards, centralized procurement, trouble shooting/repair, installation, training, desktop management, security patching, upgrades, and technology asset management.

- Initiatives:**
1. Develop and maintain desktop-related standards and procedures that meet user needs, minimize costs, and are consistent with industry best practices.
  2. Establish a technology asset management function within Desktop Support Services that will track technology inventory, maintain a desktop financial portfolio, as well as house consolidated contract and licensing information.
  3. Provide desktop security that protects technology assets while optimizing use of automated tools.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,415	\$1,783	\$1,189	\$1,405	\$1,647	\$2,220
Reserves	1,461	1,460	640	663	1,345	814
Total Budget	\$2,875	\$3,243	\$1,829	\$2,068	\$2,992	\$3,034
FTEs	10.2	10.2	8.0	9.5	8.9	8.9



**Historical Trends**

\*Effective in 2002 the budget per capita has experienced a downward trend due to identified operation efficiencies, eliminating one-time funding for a computer-based training pilot, and lower costs of software and hardware.

The increase in costs associated with 2004 – 2006 are due to IT realignment of services, centralized batch purchasing of capital replacement, and software upgrades associated with enterprise business tools such as Microsoft Office Suite. Operating reserves have been significantly reduced in response to a City wide spending decrease driven by economic conditions.

\*Effective in 2003, FTEs were shifted to other IT programs to appropriately align with program responsibilities.

## V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY

### 1. **Desired Program Outcomes:**

- A) Partnerships are in place with departments that create effective technology solutions and minimize costs for the desktop.
- B) Users are able to easily obtain and use technology resources, including getting help when they need it.
- C) Proactive management of desktop technology reduces costs and enhances service.
- D) Desktop technologies are stable and reliable.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Work with departments to develop technology solutions and standards.
- B) Manage and administer contracts for services related to desktop equipment and software procurement, installation, maintenance, and disposal.
- C) Troubleshoot problems and coordinate all change orders within the organization.
- D) Maintain an equipment inventory with specifications for use in asset management modeling, analysis, and decision making.
- E) Review, prioritize and apply the latest releases of software and operating system security patches and service packs to protect users and the network at the desktop level.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
B) % of customers rating satisfaction with Desktop Support Services as good to excellent	83%	85%	87%	84%	85%	85%	85%
B) % of help-desk calls resolved the next business day	39%	14%	14%	NA	NA	13%	13%
B) % of help-desk calls resolved within 4 hours	9%	9%	12%	NA	NA	11%	11%
B) % of help-desk repair calls resolved at the time of the call **	48%	65%	59%	53%	54%	60%	61%
<u>Efficiency</u>							
B) The cost of a help-desk problem (cost/call)	\$54.87	\$48.63	\$54.65	\$55.42	\$56.00	\$57.38	\$60.25
<u>Workload</u>							
A) Total number of desktop devices supported (PCs, PDAs, printers, phones, MDCs, etc)***	1,364	1,521	3,080	1,420	3,281	3,381	3,381
A) PCs supported/per WS technician	1,150/4.5	1,150/4	1,250/3.5	1,250/4	1,300/4	1400/4.5	1500/4.5
B) Calls to Help Desk Services (includes repair & service request calls)*	6,939	9,582	10,376	7,000	7,000	14,364	15,000

\*Beginning in 1998 Help Desk calls (those that a problem resolution ticket is created, tracked updated, and closed) are counted. Calls for new equipment, or to add a service or change a service are no longer counted.

\*\* Beginning in 2003, calls resolved at the time of the call are reported separately from % resolved 0-4 hrs.

\*\*\* Past equipment supported did not include phones and wireless devices - tablets, toughbooks, etc.

### 4. **Program Notes:**

Total Life-Cycle Cost of Ownership is intended to capture fully-loaded enterprise costs of each personal computer. This information will be collected using an accepted industry standard methodology and be the basis for assessing the City's personal computer investments.

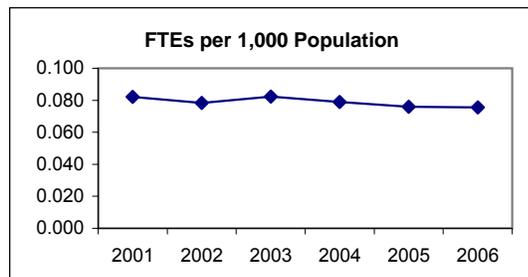
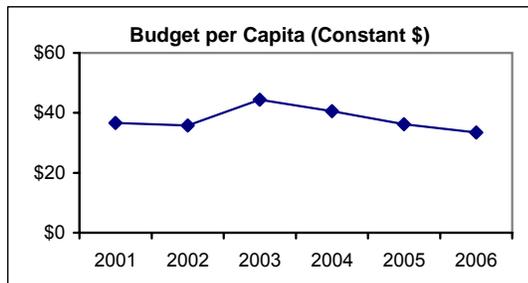
**V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY**

**Program:** Network and System Support Services

**Description:** The City operates a complex voice and data communications system comprised of an internal telephone system, numerous central computers, and the cabling and equipment necessary for communications. This program is charged with the maintenance and operation of this network, security of City systems, and protection of electronic data.

- Initiatives:**
1. Successfully move all technology infrastructure to new building.
  2. Address network storage, backup, and data protection needs.
  3. Explore and facilitate partnerships to leverage city assets and expand network options for schools and hospitals.
  4. Improve disaster recovery capabilities, plans, and procedures.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$3,410	\$3,769	\$3,932	\$3,436	\$3,249	\$3,384
Reserves	672	522	1,502	1,660	1,410	1,048
Total Budget	\$4,082	\$4,291	\$5,434	\$5,095	\$4,659	\$4,432
FTEs	9.2	9.2	9.6	9.2	8.9	8.9



**Historical Trends**

\*The increase from 2002 to 2003 is a result of transferring database services to this budget, increases in one-time expenditures for expansion of our high-speed network to satellite offices, and development of a business plan for a municipal network. This was partially offset by operational savings. The decrease from 2003 through 2006 is primarily related to reductions in spending for the one-time projects mentioned above and identified operation efficiencies.

\*FTEs have remained fairly constant over time.

**1. Desired Program Outcomes:**

- A) City staff are able to depend on the computer systems and communications network to support their business.
- B) System performance (speed) is appropriate for the demands placed upon it by customers.
- C) Appropriate safeguards are in place to assure the security of the network and protect electronic data.
- D) City achieves cost savings in the management of data and communications infrastructure.
- E) Bandwidth (network capacity) to all locations is adequate to run City applications.
- F) Communication pathways are established to facilitate inter-agency access to applications.

## V. PROGRAM OVERVIEW - INFORMATION TECHNOLOGY

### 2. **Activities - Services provided to achieve outcomes:**

- A) Benchmark and monitor system performance; coordinate repair and preventative maintenance activities.
- B) Provide safeguards from loss of computing capability or data (disaster recovery planning, data backups, security).
- C) Develop and implement a coherent system architecture with associated policies to guide standards, procedures and system upgrades and enhancements.
- D) Monitor data network usage; implement upgrades where necessary; diagnose, isolate and repair network problems.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) % of time servers are fully functional during business hours	99.7%	99.9%	99.8%	99.9%	99.9%	99.9%	99.9%
A) % of time phone system is fully functional during business hours	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
A) % of customers rating the overall satisfaction of central computer and data processing systems as good to excellent	91.0%	87.0%	94.0%	92.0%	92.0%	94.0%	94.0%
A) % customers rating the quality of central computer & data processing systems as good to excellent	91.0%	87.0%	92.0%	92.0%	92.0%	92.0%	93.0%
B) % customers rating the timeliness (speed) of the central computer & data processing systems as good to excellent	89.0%	85.0%	93.0%	95.0%	95.0%	93.0%	94.0%
B) % customers rating the timeliness (problems resolved) of the phone service as good to excellent	90.0%	89.0%	86.0%	92.0%	92.0%	92.0%	93.0%
A) % customers rating overall satisfaction with phone service as good to excellent	87.0%	86.0%	83.0%	95.0%	95.0%	92.0%	93.0%
A) % customers rating quality of phone service as good to excellent	83.0%	82.0%	81.0%	90.0%	90.0%	92.0%	93.0%
A) % of customers rating support for web support services as good to excellent	79.0%	84.0%	87.0%	82.0%	84.0%	92.0%	93.0%
<u>Efficiency</u>							
D) Phone service monthly costs per line (monthly rate)	\$18	\$17	\$17	\$22	\$22	\$16	\$16
D) Cost of city phone line vs. phone company business line (City phone cost per month/phone company business line per month)	\$18/\$38	\$17/\$38	\$17/\$45	\$22/\$45	\$22/\$45	\$16/\$32	\$16/\$32
<u>Workload</u>							
D) # phone lines/# technicians	1,548/.65	1,575/1.0	1,630/1.0	1,563/.95	1,579/.95	1,673/.95	1,700/.95
A) Number of Internet pages accessed on City Web site.	8.9m	31.1m	39.5m	33.0m	37.0m	60.0m	70.0m
A) Number of servers supported	43	61	86	96	102	106	110

### 4. **Program Notes:** NA

## VI. 2005-2006 CIP PLAN PROJECTS - INFORMATION TECHNOLOGY

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### GENERAL GOVERNMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
G-59	Finance and Human Resources System Replacement	AB	\$7,180	\$14,982
TOTAL GENERAL GOVERNMENT			\$7,180	\$14,982

### PUBLIC SAFETY

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PS-58	Zone 1 Wireless	N	\$1,269	\$1,269
TOTAL PARK REDEVELOPMENT			\$1,269	\$1,269

**Project Status Key:**

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

## INFORMATION TECHNOLOGY

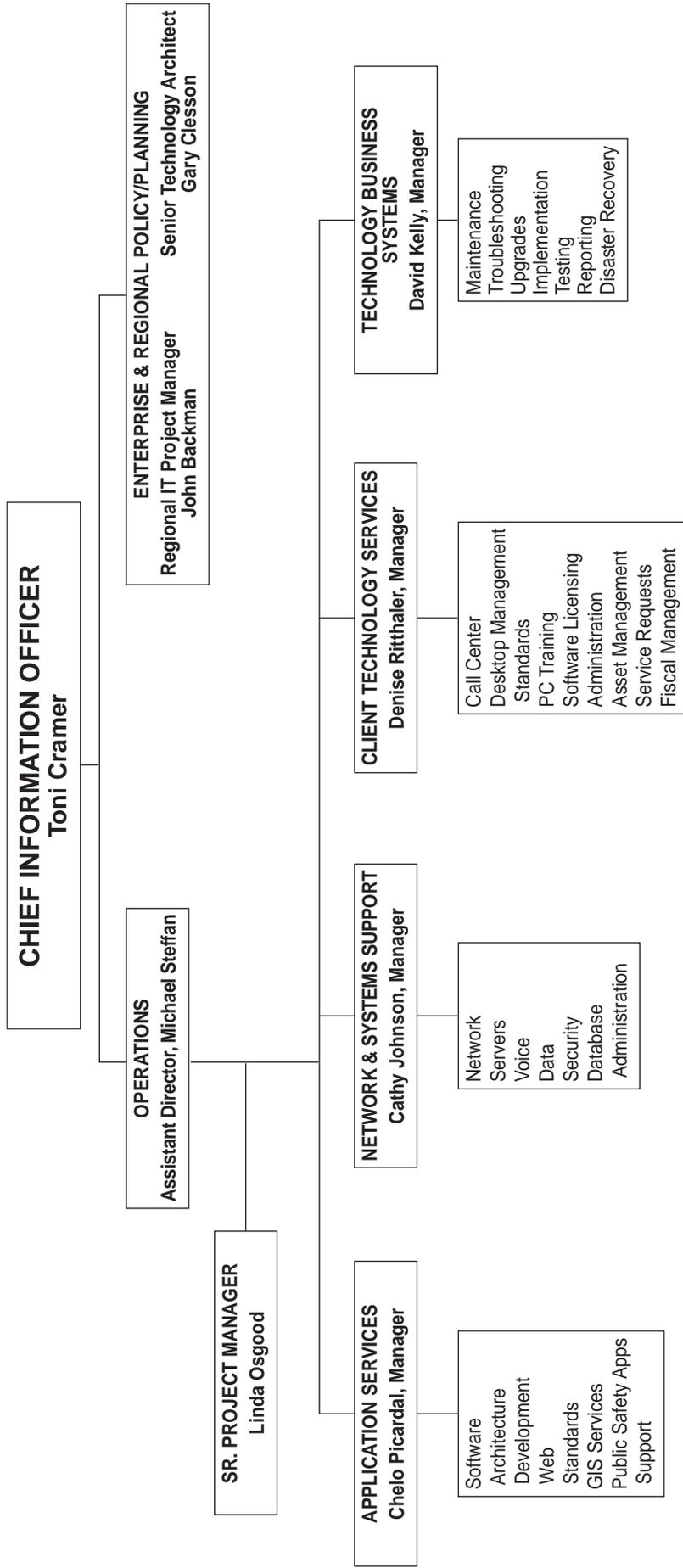
### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	2003-2004 Budget	2005-2006 Budget	\$ Change	% Change
Beginning Fund Balance	\$3,968	\$4,881	\$913	23.0%
Restricted Revenues				
Grants	0	1,270	1,270	NA
Charges for Services	19,989	19,279	(710)	(3.6%)
Miscellaneous Revenues	166	192	26	15.5%
Operating Transfers	957	1,307	350	36.6%
Unrestricted Revenues	<u>8,760</u>	<u>6,376</u>	<u>(2,384)</u>	<u>(27.2%)</u>
Total Revenues	29,872	28,424	(1,448)	(4.8%)
<b>Total Resources</b>	<b><u>\$33,840</u></b>	<b><u>\$33,305</u></b>	<b><u>(\$535)</u></b>	<b><u>(1.6%)</u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
Information Technology Fund	\$19,244	\$20,737	\$1,493	7.8%
Special, Non-Operating Funds:				
Operating Grants & Donations	100	0	(100)	(100.0%)
Capital Investment:				
General CIP Fund	<u>9,614</u>	<u>8,449</u>	<u>(1,165)</u>	<u>(12.1%)</u>
Subtotal Expenditures	28,958	29,186	228	0.8%
Ending Fund Balance	<u>4,881</u>	<u>4,119</u>	<u>(762)</u>	<u>(15.6%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$33,840</u></b>	<b><u>\$33,305</u></b>	<b><u>(\$535)</u></b>	<b><u>(1.6%)</u></b>

# CITY OF BELLEVUE

## INFORMATION TECHNOLOGY





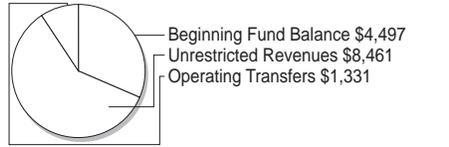
# MISCELLANEOUS NON-DEPARTMENTAL

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

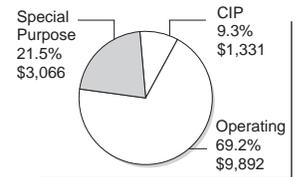


### Budget Data

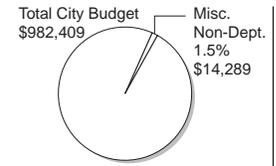
\$000

<b>2005-2006 Budget</b>	<b>\$14,289</b>
<b>Change from 2003-2004:</b>	<b>\$3,408</b>
<b>Change per Capita:</b>	<b>30.2%</b>
<b>2005 FTEs:</b>	<b>0.0</b>
<b>2006 FTEs:</b>	<b>0.0</b>
<b>FTE Change from 2004 to 2005:</b>	<b>0.0</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>NA</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>NA</b>

### Summary by Budget Type

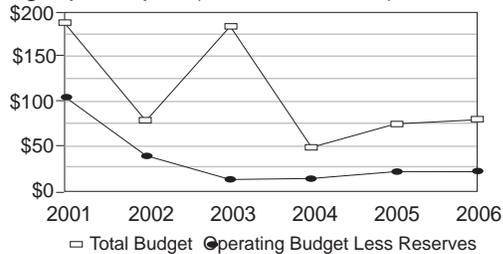


### Percent of Total Budget



### Historical Trends

#### Budget per capita (constant dollars)



- Decrease in per capita budget from 2001 to 2002 is primarily due to a reduction in the amount of the Council reserve.
- Increase in the total budget from 2002 to 2003 reflects Council reserves set aside for future funding of the New City Hall project. Beginning in 2004, these funds are budgeted in the New City Hall program.
- Increase from 2004 to 2006 reflects anticipated sales tax from extraordinary development

#### FTEs per 1,000 population

Not applicable

- No FTEs are budgeted in this department.

### Significant Budget Issues

- The Rainy Day Reserve provides resources to be used during an economic downturn or other unforeseen expenditure needs. The estimated ending fund balance in the Rainy Day Reserve Fund in 2006 is \$4.4 million.
- The General Fund contingency to cover potential budget shortfalls resulting from unforeseen expenditure needs is \$717,000 in 2005 and \$742,000 in 2006.
- The 2005-2006 budget includes \$10.9 million in expenditures from Council reserves for debt payments on New City Hall bonds.

**II. MISSION & GOALS**

Not applicable. Miscellaneous Non-Departmental (MND) budget includes funding for items that generally benefit the City as a whole, but do not reside in any direct service or support services program.

**III. 2003-2004 WORK ACCOMPLISHMENTS**

Not applicable

**IV. 2005-2006 MAJOR WORK INITIATIVES**

Not applicable.

**V. PROGRAM OVERVIEW - MISCELLANEOUS NON-DEPARTMENTAL**

**Program:** Memberships in Professional Organizations

**Description:** Pay dues to maintain membership in the following intergovernmental organizations on behalf of the City:

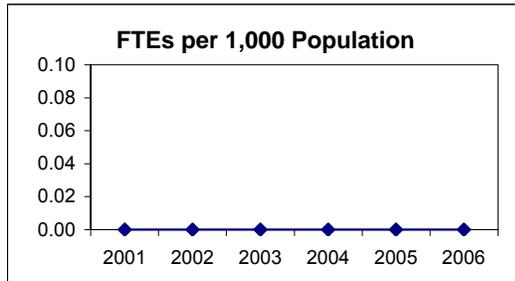
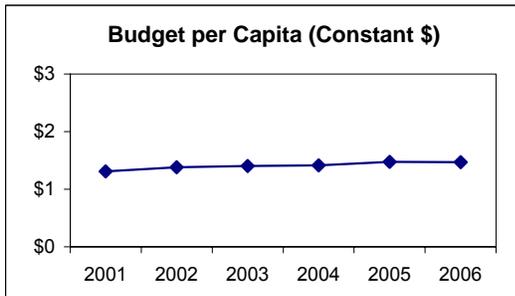
- 1) Puget Sound Clean Air Agency
- 2) Puget Sound Regional Council
- 3) Association of Washington Cities
- 4) National League of Cities
- 5) Public Technology Incorporated

**Initiatives:** Staff will continue to monitor Council's satisfaction with these organizations.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$146	\$166	\$171	\$178	\$190	\$194
Reserves	0	0	0	0	0	0
Total Budget	\$146	\$166	\$171	\$178	\$190	\$194
FTEs	0.0	0.0	0.0	0.0	0.0	0.0

**Historical Trends**

\*Budget increases approximate the change in the Consumer Price Index (CPI).



\*No FTEs are budgeted in this department.

**1. Desired Program Outcomes:**

- A) Obtain information on current legislative activities to ensure the City is aware of proposed and/or pending legislation.
- B) Provide Bellevue with a voice in regional issues to maintain Bellevue's regional role.
- C) Provide a means to conduct national, state, and local lobbying efforts in support of the City's adopted legislative agenda.

**2. Activities - Services provided to achieve outcomes:**

- A) Provide timely dues payments to organizations.
- B) Interface with lobbying organizations.
- C) Participate in meetings with other regional, state, and national organizations in pursuit of Bellevue's goals and priorities.

V. **PROGRAM OVERVIEW - MISCELLANEOUS NON-DEPARTMENTAL**

3. **Performance Measures: NA**

4. **Program Notes:**

Generally, the increase in costs of membership to these organizations has been in line with changes in the Consumer Price Index (a measure of inflation).

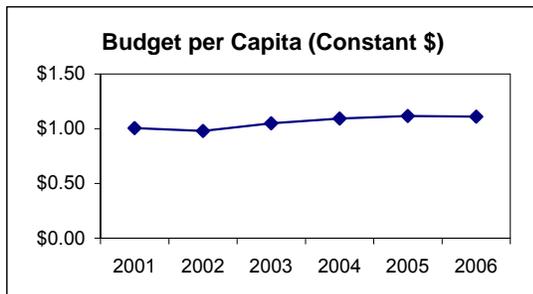
**V. PROGRAM OVERVIEW - MISCELLANEOUS NON-DEPARTMENTAL**

**Program:** Audit Fees

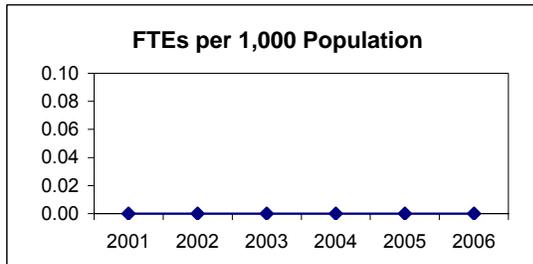
**Description:** Pay mandatory fees to State Auditor's Office for annual financial and legal compliance audit and pay fee for semi-monthly audit of City expenditures.

**Initiatives:** NA

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$112	\$117	\$128	\$137	\$144	\$147
Reserves	0	0	0	0	0	0
Total Budget	\$112	\$117	\$128	\$137	\$144	\$147
FTEs	0.0	0.0	0.0	0.0	0.0	0.0



**Historical Trends**  
 \*Budget increases approximate the change in the Consumer Price Index (CPI).



\*No FTEs are budgeted in this department.

**1. Desired Program Outcomes:**

A) Budget sufficient resources to pay audit costs.

**2. Activities - Services provided to achieve outcomes:**

A) Payment for audit services.

**3. Performance Measures: NA**

**4. Program Notes:**

This program consists of payments made to the State Auditor and/or contractor. These costs are based upon the scope of the audit as designed by the auditor. Recent audits have emphasized General Fund operations.

**V. PROGRAM OVERVIEW - MISCELLANEOUS NON-DEPARTMENTAL (MND)**

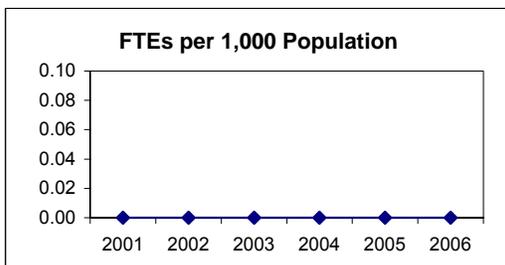
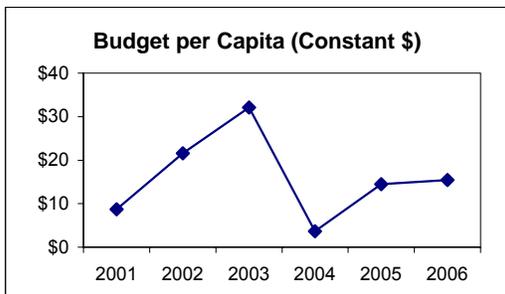
**Program:** Miscellaneous

**Description:** Pay for "miscellaneous" items that are not budgeted elsewhere in the City such as:

	<b>2005 (\$000)</b>	<b>2006 (\$000)</b>
Election Costs/Voter Registration	\$238	\$141
Bank Fees	60	61
ESA Watershed Response	25	25
Outside Legal Costs	95	97
Excess Retirement Benefits	92	94
Other	1,355	1,629
	<b>\$1,865</b>	<b>\$2,048</b>

**Initiatives:** NA

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Budget (\$000s)	\$719	\$2,361	\$3,802	\$338	\$1,740	\$1,923
Reserves	250	227	125	125	125	125
Total Budget	<b>\$969</b>	<b>\$2,587</b>	<b>\$3,927</b>	<b>\$463</b>	<b>\$1,865</b>	<b>\$2,048</b>
FTEs	0.0	0.0	0.0	0.0	0.0	0.0



**Historical Trends**

\*Increase in 2002 is due to a one-time transfer of CIP M&O dollars budgeted in Police and Fire departments into MND as a result of delays in technology projects (i.e., Mobile Data Computers & Computer Aided Dispatch).

\*Increase in 2003 reflects one-time CIP revenue for future CIP project funding.

\*2005 and 2006 increase reflects interim borrowing costs for CIP projects.

\*No FTEs are budgeted in this department.

1. **Desired Program Outcomes:** NA
2. **Activities - Services provided to achieve outcomes:** NA
3. **Performance Measures:** NA
4. **Program Notes:** NA

**V. PROGRAM OVERVIEW - MISCELLANEOUS NON-DEPARTMENTAL**

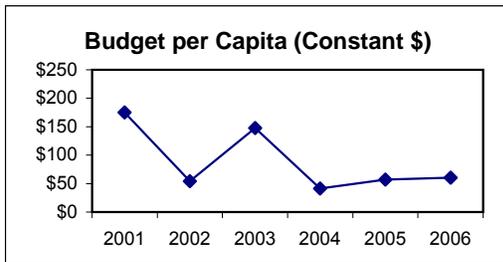
**Program:** Rainy Day Reserve and Budget Contingency

**Description:** Maintain the Rainy Day Reserve and General Fund budget contingency to cover potential budget shortfalls resulting from economic downturn or unforeseen expenditure needs.

**Initiatives:** NA

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$13,638	\$2,167	\$780	\$849	\$1,797	\$2,047
Reserves	5,866	4,372	17,285	4,372	5,522	5,982
Total Budget	\$19,503	\$6,539	\$18,065	\$5,221	\$7,319	\$8,029
FTEs	0.0	0.0	0.0	0.0	0.0	0.0

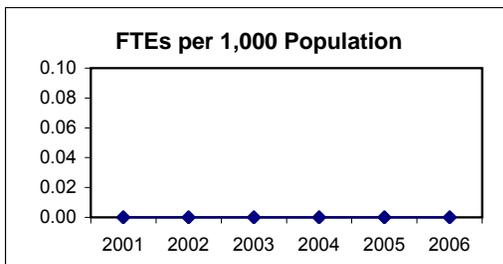
**Historical Trends**



\*Decrease in 2002 is due primarily to a reduction in the amount of Council reserve.

\*Increase in 2003 reflects Council reserves set aside for future funding of the New City Hall project. Beginning in 2004, these funds are budgeted in the New City Hall program.

\*Increase in 2005-2006 reflects anticipated sales tax from extraordinary development.



\*No FTEs are budgeted in this department.

**1. Desired Program Outcomes:**

To ensure adequate budget exists to maintain current service levels.

**2. Activities - Services provided to achieve outcomes: NA**

**3. Performance Measures: NA**

**4. Program Notes:**

Current service levels are estimated to be maintained during 2005 and 2006 without dipping into the Rainy Day Reserve.

The General Fund contingency to cover potential budget shortfalls resulting from unforeseen expenditure needs is \$717,000 in 2005 and \$742,000 in 2006.

## VI. 2005-2006 CIP PLAN PROJECTS - MISCELLANEOUS NON-DEPARTMENTAL

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### GENERAL GOVERNMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
G-53	CIP Interest & Interim Financing Expense	AB	\$1,331	\$2,571
TOTAL GENERAL GOVERNMENT			\$1,331	\$2,571

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

## MISCELLANEOUS NON-DEPARTMENTAL

### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	2003-2004 Budget	2005-2006 Budget	\$ Change	% Change
Beginning Fund Balance	\$4,599	\$4,497	(\$102)	(2.2%)
Restricted Revenues				
Operating Transfers	400	1,331	931	232.8%
Unrestricted Revenues	<u>5,882</u>	<u>8,461</u>	<u>2,579</u>	<u>43.8%</u>
Total Revenues	6,282	9,792	3,510	55.9%
<b>Total Resources</b>	<b><u><u>\$10,881</u></u></b>	<b><u><u>\$14,289</u></u></b>	<b><u><u>\$3,408</u></u></b>	<b><u><u>31.3%</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$3,930	\$5,521	\$1,591	40.5%
Special, Non-Operating Funds:				
Debt Service Regular	400	1,331	931	232.8%
Capital Investment:				
General CIP Fund	<u>2,054</u>	<u>1,331</u>	<u>(723)</u>	<u>(35.2%)</u>
Subtotal Expenditures	6,384	8,183	1,799	28.2%
Ending Fund Balance	<u>4,497</u>	<u>6,106</u>	<u>1,609</u>	<u>35.8%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$10,881</u></u></b>	<b><u><u>\$14,289</u></u></b>	<b><u><u>\$3,408</u></u></b>	<b><u><u>31.3%</u></u></b>

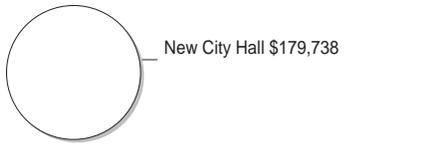
**CITY OF BELLEVUE**  
**MISCELLANEOUS NON-DEPARTMENTAL**

**Staff support for administration of this budget  
is provided by the Finance Department.**

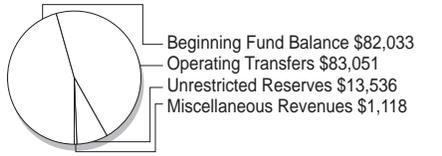
# NEW CITY HALL

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

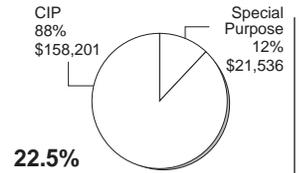


### Budget Data

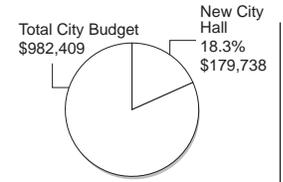
\$000

<b>2005-2006 Budget</b>	<b>\$179,738</b>
<b>Change from 2003-2004:</b>	<b>\$34,447</b>
<b>Change per Capita:</b>	
<b>2005 FTEs:</b>	<b>0.0</b>
<b>2006 FTEs:</b>	<b>0.0</b>
<b>FTE Change from 2004 to 2005:</b>	<b>0.0</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>NA</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>NA</b>

### Summary by Budget Type

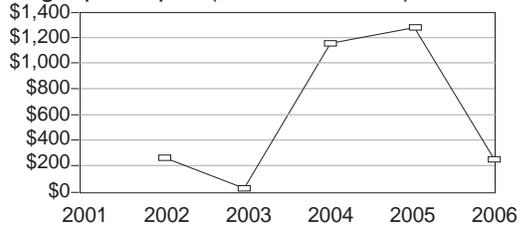


### Percent of Total Budget



### Historical Trends

Budget per capita (constant dollars)



- The 2002 budget reflects the City's purchase of the Qwest building.
- The 2003-2006 budgets reflect costs for the renovation and refurbishment of the building and related financing costs.

FTEs per 1,000 population

Not applicable

- No FTEs are budgeted in this department. Staffing is provided by several departments including Planning & Community Development and Finance.

### Significant Budget Issues

- \$9.4 million of costs over budget were identified as a result of subcontractor bids in December of 2004. The City contends that the contractor is financially responsible for this work.
- The City and the contractor agree to implement value engineering solutions to reduce the amount of subcontractor bids.
- The City and the contractor have agreed to fund the remaining costs, after implementing value engineering solutions, by the contractor contributing up to \$2.5 million and the City funding the estimated remaining costs of \$5.9 million.
- The project will proceed and the financial issues will be resolved through a dispute resolution process in 2005.
- Once the City's financial responsibility, if any, is determined through the dispute resolution process, the City will explore several options for funding its portion of the final cost increase.

## II. **MISSION & GOALS**

### Mission:

The mission of the New City Hall program area is to develop a facility that will co-locate all major city services in the same building, thereby providing a one-stop service center for residents that will improve service delivery and efficiency.

### Goals:

1. Provide for the co-location of major City Hall functions and Public Safety functions.
2. Develop a cost effective facility solution to address long-term facility needs in the City.
3. Provide improved internal efficiencies with more flexible space planning.
4. Provide improved public access spaces.
5. Enhance pedestrian corridor/transit center experience at the east end of the central business district.

## III. **2003-2004 WORK ACCOMPLISHMENTS**

1. Formed a Technical Advisory Committee (TAC), composed of Bellevue residents with specific expertise in architecture, engineering, design, finance, and project management, to assist the City Council in evaluating the building's ultimate use and cost of improvements.
2. Underwent an extensive public involvement process, including a series of charets and public hearings to assure that residents and other stakeholders had an opportunity to provide input.
3. Selected and contracted with a GC/CM contractor to assist the project team during the design phase and to prepare a Maximum Allowable Cost proposal for the project.
4. Final project scope and budget adopted by the City Council.
5. Secured long-term financing for the final design and construction of improvements to the facility.
6. Began construction of improvements to the facility.

## IV. **2005-2006 MAJOR WORK INITIATIVES**

1. Continue construction of improvements to the facility for occupancy by the end of 2005.

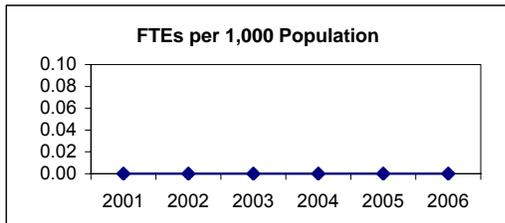
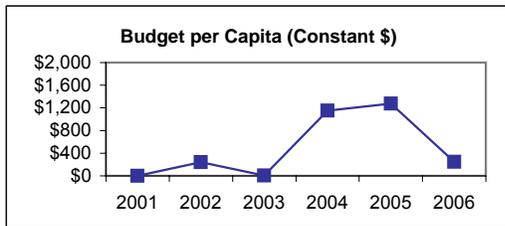
**V. PROGRAM OVERVIEW - New City Hall**

**Program:** New City Hall

**Description:** Program funding for the support of the New City Hall project, including property acquisition, renovation & refurbishment, and financing costs.

- Initiatives:**
1. Continue construction of improvements to the facility for occupancy at the end of 2005.
  2. Ensure that adequate resources are available for repayment of debt.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$0	\$29,050	\$375	\$62,883	\$146,847	\$30,492
Reserves	0	0	0	82,033	17,459	2,398
Total Budget	\$0	\$29,050	\$375	\$144,915	\$164,306	\$32,891
FTEs	0.0	0.0	0.0	0.0	0.0	0.0



**Historical Trends**

\*The 2002 budget reflects the City's purchase of the Qwest Building.

\*The 2003-2006 budgets reflect costs for the renovation & refurbishment of the facility and related financing costs.

\*No FTEs are budgeted in this department. Staffing is provided by several departments including Planning & Community Development and Finance.

## VI. 2005-2006 CIP PLAN PROJECTS - NEW CITY HALL

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### NEW CITY HALL

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
NCH-1	New City Hall	AB	\$83,389	\$127,854
TOTAL NEW CITY HALL			\$83,389	\$127,854

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

**NEW CITY HALL**  
**FINANCIAL SUMMARY**  
 \$000

<u>Resources by Source</u>	<b>COMPARISON</b>			
	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$0	\$82,033	\$82,033	NA
Restricted Revenues:				
Miscellaneous Revenue	2,538	1,118	(1,420)	(55.9%)
BAN Proceeds	74,713	0	(74,713)	(100.0%)
Operating Transfers	31,812	83,051	51,239	161.1%
Sale of Assets	23,689	0	(23,689)	(100.0%)
Unrestricted Revenues	<u>12,538</u>	<u>13,536</u>	<u>998</u>	<u>8.0%</u>
Total Revenues	145,290	97,705	(47,586)	(32.8%)
<b>Total Resources</b>	<b><u>\$145,290</u></b>	<b><u>\$179,738</u></b>	<b><u>\$34,447</u></b>	<b><u>23.7%</u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Special, Non-Operating Funds:				
Operating Grants & Donations	\$2,815	\$10,887	\$8,072	286.8%
Debt Service Regular	2,712	10,613	7,901	291.4%
Capital Investment Plan Budget:				
General CIP Fund	25,294	83,389	58,095	229.7%
2004 City Hall Bond Fund	32,437	72,450	40,013	123.4%
Subtotal Expenditures	63,258	177,339	114,081	180.3%
Ending Fund Balance	<u>82,033</u>	<u>2,399</u>	<u>(79,634)</u>	<u>(97.1%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$145,290</u></b>	<b><u>\$179,738</u></b>	<b><u>\$34,447</u></b>	<b><u>23.7%</u></b>

# **CITY OF BELLEVUE**

## **NEW CITY HALL**

**Staffing is provided by several departments including Planning & Community Development and Finance.**

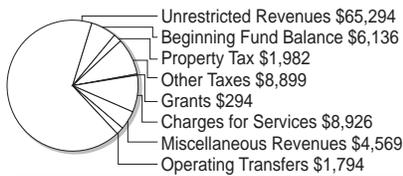
# PARKS & COMMUNITY SERVICES

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

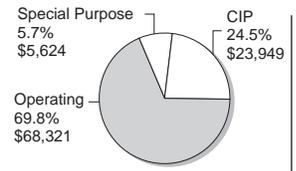


### Budget Data

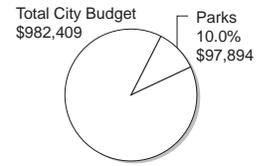
\$000

<b>2005-2006 Budget</b>	<b>\$97,894</b>
<b>Change from 2003-2004:</b>	<b>\$2,122</b>
<b>Change per Capita:</b>	<b>1.3%</b>
<b>2005 FTEs:</b>	<b>172.3</b>
<b>2006 FTEs:</b>	<b>176.3</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(1.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>4.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(1.2%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(1.7%)</b>

### Summary by Budget Type

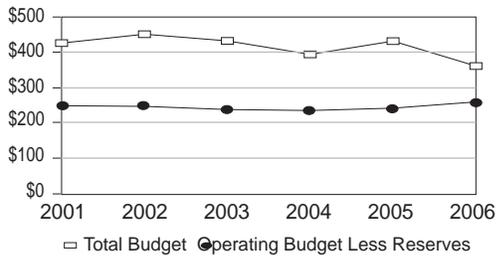


### Percent of Total Budget



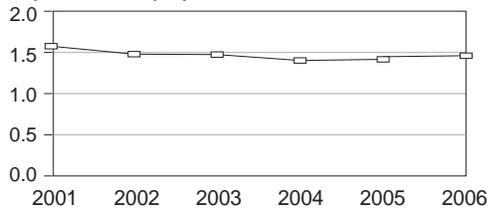
### Historical Trends

Budget per capita (constant dollars)



- The total budget per capita fluctuations are largely due to changes in CIP expenditures which are not programmed at a uniform rate.
- The operating budget per capita shows a relatively constant trend over the past several years, indicating that Parks & Community Services Department budget growth is consistent with population growth and inflation. In 2005-2006, additional funding was provided to maintain completed CIP projects, including Lewis Creek Park and the South Bellevue Community Center.

FTEs per 1,000 population



- Total FTE levels have remained relatively constant over the past several years. In 2006, 4.0 FTEs were added to manage and operate the South Bellevue Community Center.

### Significant Budget Issues

- This budget provides funding for the maintenance and operation of completed CIP projects, including South Bellevue Community Center (4.0 FTEs), Lewis Creek Park, NEP/NIS projects, arterial landscapes, and the Class Registration and Scheduling System.
- Three Parks capital projects totaling \$2.9M were deferred as part of the 2005-2011 CIP update, including Trail Development, Kelsey Creek Stream Restoration, and Renovation & Refurbishment of Park Facilities.
- In 2005-2006, the Department will work with the Bellevue School District and other community organizations to create a "wraparound services" pilot program to enhance the delivery of health, human service, and recreation programs within the educational system.
- In 2005-2006, the Department will work with City Council and the community to evaluate the feasibility of a voter initiative featuring the acquisition and development of parks and open space throughout the City.

## II. **MISSION & GOALS - PARKS & COMMUNITY SERVICES**

### Mission:

A healthy community through an integrated system of exceptional parks, open space, recreation, cultural and human services.

### Goals:

1. Plan, acquire, design, and develop a coordinated park system which satisfies the community's open space and recreation needs, and anticipates future park demands as the community grows and matures.
2. Provide clean, safe, attractive and functional parks, open space, and recreation and municipal facilities while protecting the City's capital investments through ongoing maintenance and systematic renovation.
3. Help reduce crime and antisocial behavior by providing/supporting prevention and intervention services such as domestic violence and sexual assault counseling, child abuse prevention, probation services, and youth programs such as day camps, after-school, and youth leadership programs.
4. Work with the City's diverse population and community organizations to assist people in need of critical emergency services related to food, clothing, and shelter; transitional services related to housing, employment, and counseling; long-term assistance with care for low-income children; and services for the elderly and people with disabilities.
5. Through partnerships and collaborations, provide Bellevue citizens with opportunities for recreation, socialization, skill development and education in order to enhance physical and mental health.

## III. **2003-2004 ACCOMPLISHMENTS**

1. *Human Services Needs Update and Regional Collaborations* – In 2003-2004, the Department participated in the Eastside Human Services Forum in cooperation with other cities, the county, non-profit agencies, school districts, and healthcare organizations. Through the Forum, Bellevue monitored the work of the King County Task Force on Regional Human Services and provided regular input to the Task Force. In addition, the Human Services Division conducted another systematic and comprehensive update on the human services needs of Bellevue residents and served as lead in a pooled funding pilot project with six other Eastside jurisdictions.
2. *Key Property Acquisitions* – In 2003-2004, the Department acquired several key properties for future park development, including the purchase of the Lakewood property from the Bellevue School District, the McTavish open space, and the Hendrichs and Kim properties along Meydenbauer Bay. Collectively, these acquisitions added over 50 acres to the Bellevue Parks & Open Space System, and were acquired by leveraging City CIP funding with over \$2.0 million in external funding sources.

3. *Capital Investment Program Plan Implementation* – Capital Investment Program Plan projects completed during 2003-2004 include a major new picnic shelter at Crossroads Community Park, renovation of the Highland Middle School athletic fields in partnership with the Bellevue School District, construction of a viewing pavilion at the Bellevue Botanical Garden using funds donated by the Tateuchi Foundation, improvements to the Paxton House/Eastside Heritage Center using state grant funds, and relocation and improvement of the Bellefields Yard Maintenance Facility to help address long-standing space shortages for Parks crews.
4. *Parks and Open Space System Plan Update* – In 2003, City Council adopted the Parks and Open Space System Plan. This plan will determine the future direction for the Parks and Open Space System and provide additional grant opportunities for the City.
5. *Business and Technology Initiatives* – During 2003-2004, the Class Registration and Scheduling system was successfully implemented for program registration and facility booking, giving citizens online access to the full range of Department programs and facilities. In addition, the Department worked with other E-gov Alliance cities in an ongoing effort to improve access to parks and recreation services through web-based technology tools for citizens throughout the region.
6. *Controlled Operating Costs while maintaining High Citizen Satisfaction* – The Parks & Community Services Department worked hard to manage its operating costs over the past two years in response to limited City resources. The Department balanced the need for providing high quality programs and maintaining the safety and function of parks assets, while continuing to deliver high levels of citizen satisfaction with the overall quality, appearance, and usage of the parks system.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

1. *Capital Investment Program Plan Implementation* – Several major Capital Investment Program Plan projects will be completed during 2005-2006, including construction of the South Bellevue Community Center, Lewis Creek Park, Meadow Wood Park, and an addition to the Crossroads Community Center. In addition, the Department will continue to partner with the Bellevue Breakfast Rotary to develop a water play feature at Crossroads Park, and prepare for the construction of the Mercer Slough Environmental Education Center.
2. *Voter Initiative* – During 2005-2006, the Department will work with City Council and the community to evaluate the feasibility of a voter initiative featuring the acquisition and development of park and open space throughout the City.
3. *Wraparound Services* – Wraparound Services is a term which means the health, human service, and recreation programs for children and families that utilize schools as a service delivery point and where services are strategically integrated into the educational system through a model of collaboration between the School District, the City, and other community organizations. In 2005-2006, the Department will work with the Bellevue School District and other community organizations to create a wraparound services pilot program within an elementary school and middle school tract to evaluate the overall effectiveness of this service delivery model.
4. *Planning for the Future* – Major planning initiatives in the next biennium include working to complete master plans for the Boeing/I-90 property and the Meydenbauer Bay waterfront park, and replacing existing turf sportsfields with synthetic surfaces.

5. *Manage Service First Program at New City Hall* – Based on the Department's expertise managing public facilities and programs, the Parks & Community Services Department will serve as the lead department in managing the Service First program at the New City Hall. In 2005-2006, the Department will develop the policies, procedures, and programs for providing excellent customer service at the new building, including the use of public spaces and sharing information with the public.
6. *Regional Coordination* – The changing regional landscape for parks, recreation, and human services presents both significant challenges and partnership opportunities over the next two years. In 2005-2006, the Parks & Community Services Department will work with our regional partners (state, county, other cities, school districts, and non-profit organizations) to discuss the implication of these trends, ensure that our resources are being utilized as effectively as possible, and explore opportunities for joint use agreements for the development and operation of facilities which could benefit all parties.
7. *Department Accreditation and Strategic Plan* – In 2005, the Department will complete the agency accreditation process and become one of 35 organizations nationwide that meet the professional standards of the Commission for the Accreditation of Parks and Recreation Agencies (CAPRA). In addition, the Department will begin implementing its strategic plan to ensure the relevancy and effectiveness of Department services and better meet the mission of "building a healthy community."
8. *Update Recreation Program Plan* – In 2005, the Department will update the Recreation Program Plan, including a review of the City's pricing structure and scholarship policy. The plan will incorporate four major user group plans, including plans for Seniors, Individuals with Disabilities, Youth and Teens, and the Bellevue Youth Theater. Included in this review will be an inventory of current services provided within the community and a forum involving community providers.
9. *Human Services Needs Update* – Every two years, the Human Services Division conducts a comprehensive update on the human services needs of Bellevue residents. This update will be done in the context of the changing funding environment for human services and will form the basis for developing human services funding recommendations in upcoming budgets.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

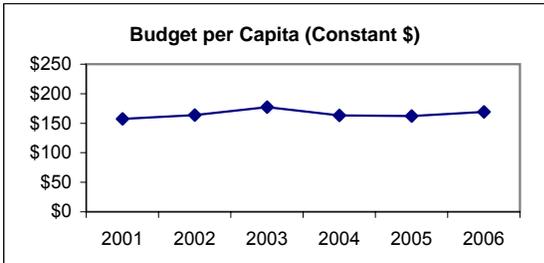
**Program:** Resource Planning and Management

**Description:** The Resource Planning and Management program provides for the management and stewardship of City-owned parks and park facilities, general government buildings, and open spaces, trails, and arterial landscapes. This program includes the Resource Management, Facilities Management, and Natural Resource divisions. Services are provided in an environmentally conscious manner, and the department utilizes a combination of City staff and alternative service delivery models including contracts, inter-local agreements, partnerships and volunteers. This program provides functional and attractive parks and recreational facilities, and supports essential municipal facilities. In addition, this program provides environmental education and public outreach, manages sensitive open spaces, and protects capital investments while focusing on energy conservation and reducing liability exposure.

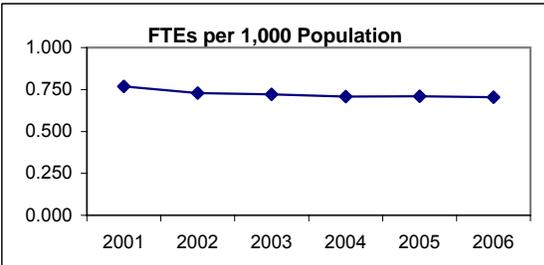
- Initiatives:**
1. Support the design, development, construction and management of the new Bellevue City Hall.
  2. Work cooperatively with the Pacific Science Center to construct a new environmental education center at the Mercer Slough.
  3. Manage major maintenance and renovation funds to ensure timely upgrades to City infrastructure.
  4. Proactively manage energy consumption and promote ongoing conservation programs.
  5. Expand the existing joint use agreement with the Bellevue School District to develop an equitable partnership between the school district, the City, and its users regarding maintenance and management of the renovated school fields and facilities.
  6. Continue to utilize the Resource Management Information System to provide an inventory of park and municipal facility assets and provide management information regarding programming and maintenance costs.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$13,962	\$16,291	\$18,490	\$17,198	\$17,650	\$19,162
Reserves	3,553	3,357	3,211	3,322	3,255	3,226
Total Budget	\$17,515	\$19,648	\$21,701	\$20,520	\$20,905	\$22,388
FTEs	85.8	85.3	84.0	82.6	83.1	83.1

**Historical Trends**



\*In 2005-2006, the budget includes funding to maintain approved CIP projects consistent with City fiscal policy. This new workload includes maintaining the South Bellevue Community Center, Lewis Creek Park, Meadowwood Park, arterial landscapes, trails, and NEP/NIS investments.



\*The ratio of staff to population has remained fairly constant over time.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 1. Desired Program Outcomes:

- A) Protect the City's capital investment in parks, open space, streetscapes, and recreation facilities by meeting appropriate City and/or National Recreation and Parks Association (NRPA) maintenance standards for each type of park, open space, or recreation facility.
- B) Provide clean, safe, attractive and functional parks, open space, and municipal and recreation facilities.
- C) Provide facilities that enable the City to effectively and efficiently deliver services to the public.

### 2. Activities - Services provided to achieve outcomes:

- A) Management, maintenance, and program support for City-owned parks, open spaces, facilities and events.
- B) Stewardship to ensure the protection of the City's capital investments.
- C) Deliver direct services that compare favorably to private sector market and industry standards.

### 3. Performance Measures:

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
B) Percent of citizens surveyed rating appearance of Bellevue parks and park facilities as good or excellent	90%	92%	93%	85%	85%	85%	85%
B) Percent of citizens surveyed rating the safety of Bellevue parks and park facilities as good or excellent	79%	75%	73%	75%	75%	75%	75%
B) Percent of municipal facility clients rating facility cleanliness and safety as satisfactory or better	91%	86%	83%	85%	85%	85%	85%
<u>Efficiency</u>							
B) Cost per square foot of streetscape	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
B) Cost per square foot of developed park	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14	\$0.14
B) Cost per square foot of active recreation facilities	\$8.10	\$8.21	\$8.43	\$8.43	\$8.66	\$8.83	\$9.01
C) Routine building maintenance cost per rentable square foot without utilities	\$5.35	\$5.08	\$4.66	\$5.62	\$5.77	\$5.48	\$5.32
<u>Workload</u>							
A) Linear miles of trails	55.4	76.0	63.7	61.9	62.4	64.0	65.0
A) Sq. feet of active recreation facilities	167,487	167,487	167,487	167,487	170,487	170,487	202,487
A) Acres of City property managed	2,009	2,032	2,104	2,063	2,063	2,674	2,674
A) Number of park sites maintained	306	311	310	310	310	312	312
A) Sq. feet of arterial landscape (000)	4,835	5,437	5,072	5,072	5,182	5,182	5,182
B) Sq. feet of municipal facility building area managed & maintained	313,650	314,786	314,786	314,786	314,786	314,786	532,000

### 4. Program Notes:

The Resource Planning & Management Program provides a high level of maintenance services in a cost-effective manner. According to the 2003 Performance Measures Survey, 93% of Bellevue citizens rated park appearance as good or better.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

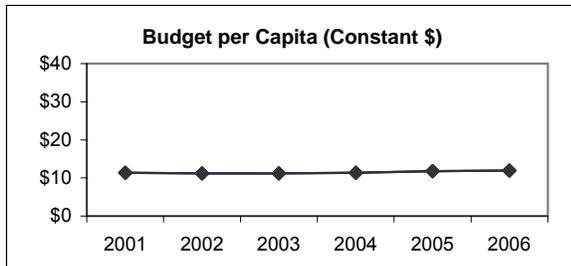
**Program:** Probation Services

**Description:** The Probation Services program provides misdemeanor probation and electronic home detention (EHD) services to adult offenders arrested within the City of Bellevue and referred by the judges at the King County District Court-Bellevue Division. Probation is an essential component of the criminal justice process, and the City works with community agencies and other law enforcement departments in creating programs to better serve the community. Primary services include: probation supervision, deferred prosecution evaluation and monitoring, electronic home detention, pre-sentence investigation reports, alcohol/drug assessments, pre-trial diversion, referral to community resources, collection of probation fees, domestic violence evaluations, monitoring payment of court ordered financial obligations, and recruitment and training of probation volunteers. In addition to probation and EHD fees of \$600,000, jail cost savings occurring because of this program are estimated at \$350,000 per year.

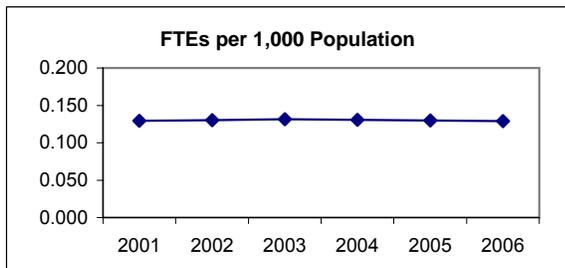
- Initiatives:**
1. Expand and improve alternatives to jail.
  2. Participate on the City's District Court alternatives committee.
  3. Provide enhanced training for staff and citizen volunteers.
  4. Provide opportunities for increased staff latitude in caseload management to meet performance measures.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,265	\$1,348	\$1,371	\$1,423	\$1,512	\$1,588
Reserves	0	0	0	0	0	0
Total Budget	\$1,265	\$1,348	\$1,371	\$1,423	\$1,512	\$1,588
FTEs	14.4	15.2	15.3	15.2	15.2	15.2

**Historical Trends**



\*Budget per capita has remained fairly constant over time.



\*The ratio of staff to population has remained fairly constant over time.

**1. Desired Program Outcomes:**

- A) Reduce tax burden to the community by increasing offender compliance with orders of supervision.
- B) Reduce tax burden to the community by requiring payment of probation and EHD fees.
- C) Optimize the EHD program to reduce jail costs.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide misdemeanor probation supervision and services to adult offenders.
- B) Monitor payment of restitution and court costs, and collect probation fees.
- C) Manage EHD program.
- D) Provide services through volunteers.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Percent of offenders completing Deferred Prosecution DUI program	92%	83%	76%	76%	79%	80%	80%
A) Percent of offenders completing Domestic Violence Stipulated Order of Continuance program	51%	69%	69%	65%	65%	65%	65%
A/C) Percent of defendant cases closed in compliance	63%	60%	62%	65%	65%	65%	65%
C) Percent of EHD cases closed in compliance	95%	96%	97%	90%	90%	95%	95%
B/C) Percent of budget recovered by revenue (Probation/EHD)	45%	44%	44%	54%	54%	50%	50%
<u>Efficiency</u>							
C) Jail cost savings from EHD program (\$000)	\$458	\$457	\$344	\$480	\$504	\$350	\$350
<u>Workload</u>							
C) Number of jail days served on EHD	8,301	7,017	5,815	9,031	9,482	6,000	6,000
All) Number of probation offenders supervised	1,418	1,355	1,235	1,488	1,563	1,400	1,400

### 4. **Program Notes:**

The Probation Division supervises offenders and holds them accountable to Court orders, which results in increased public safety, involvement of citizen volunteers, and revenue collections.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

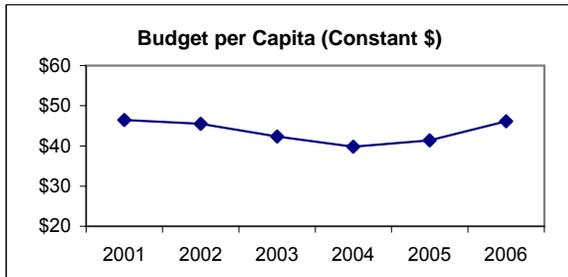
**Program:** Recreation Services

**Description:** The Recreation Services Program focuses on providing recreation, community services, and lifelong learning opportunities for youth, seniors, families, and people with disabilities of all ages. Youth Services are focused to meet the needs of the diverse youth in our community by providing opportunities for socialization, community involvement, leadership development, and education. Programs include Youth Link and Teen Services activities such as Ground Zero Teen Center and middle school latchkey care; general youth programs including youth team sports, skill-building, and skateboarding; school break day camps/child care; visual and performing arts; It's About Time for Kids Initiative; and Crossroads Community Center programs. Special Community Service programs include senior services, special events such as the 4th of July, and programs for individuals with either physical or developmental disabilities.

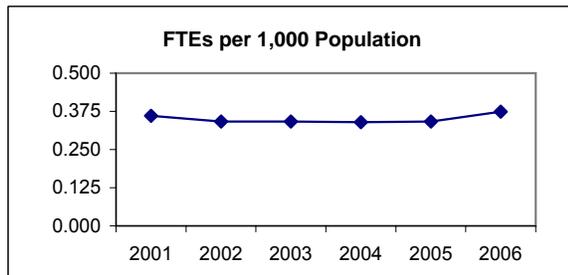
- Initiatives:**
1. Expand opportunities for low income youth and teens by emphasizing unstructured and supervised recreation, socialization, leadership, volunteerism, and afterschool/no-school day programs.
  2. Seek additional partnerships and interlocal agreements to enhance and support current and future service delivery.
  3. Update Recreation Program Plan.
  4. Implement Youth Link program recommendations.
  5. Implement a "wraparound services" model in partnership with the Bellevue School District and community non-profits.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$4,835	\$5,142	\$5,180	\$4,998	\$5,323	\$6,115
Reserves	349	318	0	0	0	0
Total Budget	\$5,184	\$5,460	\$5,180	\$4,998	\$5,323	\$6,115
FTEs	40.2	40.0	39.8	39.5	40.1	44.1

**Historical Trends**



\*Budget per capita has remained fairly constant over time. In 2006, the budget includes funding to staff and maintain the South Bellevue Community Center.



\*The ratio of staff to population has remained fairly constant over time. In 2006, the budget includes 4.0 FTEs to manage and operate the South Bellevue Community Center.

**1. Desired Program Outcomes:**

- A) Increase self-esteem and positive self-image for Bellevue youth and teens.
- B) Ensure that Bellevue youth are provided opportunities for recreation, socialization and leadership training.
- C) Reduce alienation and loneliness among Bellevue seniors and people with disabilities.
- D) Enhance physical and mental well-being through participation in structured activities.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide opportunities for socialization, community involvement, and education for youth 18 years and younger.
- B) Provide recreation, community services, and lifelong learning opportunities for seniors, families, and people with disabilities of all ages.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A/B) Percent of youth and their parents rating programs good or above	92%	89%	92%	92%	92%	90%	90%
A) Percent of youth reporting activity was a productive use of time	96%	95%	98%	92%	92%	95%	95%
C/D) Percent of Special Community Services participants rating structured programs good or above	94%	93%	93%	94%	94%	93%	93%
All) Percent of households participating in a recreation program in the last year	20%	24%	24%	25%	25%	25%	25%
All) Percent of visits to registered activities by Bellevue residents	77%	65%	74%	70%	70%	75%	75%
<u>Efficiency</u>							
All) Percent cost recovery for merit programs	97%	93%	97%	90%	90%	95%	95%
<u>Workload</u>							
All) Number of individuals served for registered programs	12,973	9,251	8,844	10,800	10,800	10,500	10,500
All) Total visits	550,270	664,404	605,312	600,000	600,000	650,000	650,000

### 4. **Program Notes:**

Youth programs contribute to the well-being of the community's youth and teens by providing a wide range of activities supervised by positive role models. Activities are structured to help build self-esteem and reduce the risk of antisocial behavior. Special Community Service programs make a positive contribution to the quality of life of seniors, people with disabilities, adults, and families living in our community. Opportunities for socialization are readily available through these activities, and are critical in maintaining the well-being of seniors and people with disabilities. These two activities were consolidated into one Recreation Services program area as part of the 2005-2006 budget.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

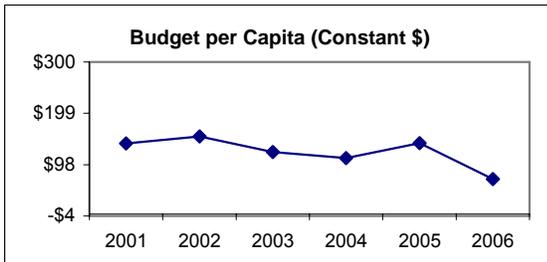
**Program:** Planning, Design & Project Management

**Description:** The Planning, Design & Project Management program helps create and maintain a coordinated park system consistent with the community's open space and recreation facility needs identified in the Parks and Open Space System Plan. Fundamental responsibilities include the planning, design and management of park and facility capital improvement projects; permit review of development projects; and augmenting available capital improvement funding with external grants and funding sources. The total program budget includes both the operating and capital funding to implement the Parks Capital Investment Program (CIP) Plan.

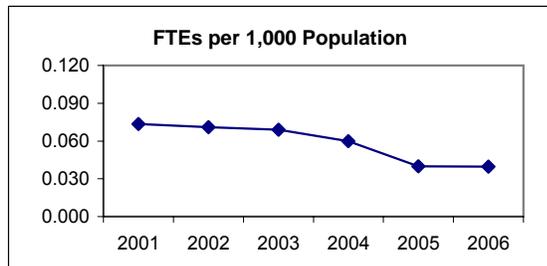
- Initiatives:**
1. Coordinate and manage CIP projects, including master planning, design, and implementation of parks, greenbelts, and active recreation facilities. Major capital construction projects over the next two years include the completion of the South Bellevue Community Center and Lewis Creek Park.
  2. Implement and maintain an updated Parks & Open Space System Plan.
  3. Seek and manage alternative funding for park acquisition and development through regional, state, and federal sources and private grants and donations.
  4. Review private and City development applications and make recommendations to mitigate associated impacts to the park system.
  5. Support the City's effort to evaluate the feasibility of a voter initiative featuring park acquisition and development consistent with the Parks and Open Space System Plan.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$14,134	\$16,503	\$13,073	\$12,000	\$16,906	\$7,991
Reserves	1,423	1,879	1,900	1,902	1,130	1,157
Total Budget	\$15,556	\$18,382	\$14,974	\$13,902	\$18,036	\$9,149
FTEs	8.2	8.3	8.0	7.0	4.7	4.7

**Historical Trends**



\*The budget per capita for this program can fluctuate due to changes in CIP expenditures which are not programmed at a uniform rate.



\* While staffing ratios per capita have remained fairly constant over time, the 2005-2006 budget reflects the elimination of a CIP Project Manager position (ERP reduction) and the internal reorganization of Finance functions within the City.

**1. Desired Program Outcomes:**

- A) Implement the Parks & Open Space System Plan through the CIP process.
- B) Develop a range of funding opportunities to help meet park level of service (LOS) standards as defined in the Parks & Open Space System Plan.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Plan, design, and provide project management for park development and redevelopment projects.
- B) Review permit applications for development projects.
- C) Apply for and monitor grants for park acquisition and development.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
B) Percent of citizens rating overall satisfaction with parks and recreation as good or better	NA	85%	87%	NA	NA	85%	85%
B) Percent of households that have visited a Bellevue park or park facility in the last year	82%	85%	85%	86%	86%	85%	85%
<u>Efficiency</u>							
A) Percent of CIP development project funds spent in year allocated (not including ongoing projects)	86%	45%	26%	85%	85%	75%	75%
A) Average total change order percentage for completed projects	1%	1%	1%	3%	3%	3%	3%

### 4. **Program Notes:**

Through the activities of the Planning, Design & Project Management Program, the City is planning for and developing the physical elements of the park system in a manner which is consistent with the open space and recreation needs of a growing and changing population.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

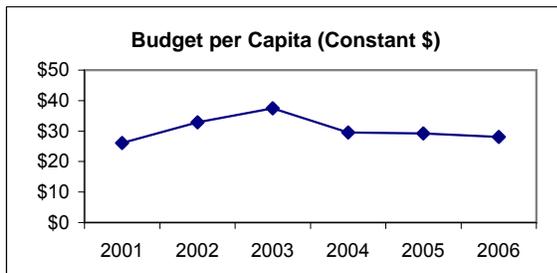
**Program:** Human Services & Cultural Diversity

**Description:** The Human Services & Cultural Diversity program responds to the human service needs of the community by ensuring the development and maintenance of a responsive community-based social services system. This is done by constantly assessing needs, anticipating trends, collaborating with non-profit service providers, and funding appropriate services. The goal of this program is to assist residents to become or remain economically self-sufficient and productive, and/or to overcome times of acute personal or family crisis. In addition to presenting diversity education programs, the cultural diversity program assists business and non-profit agencies with increasing outreach to ethnic communities. This program budget includes both the administration and allocation of City Human Service funding and federal Community Development Block Grant funding.

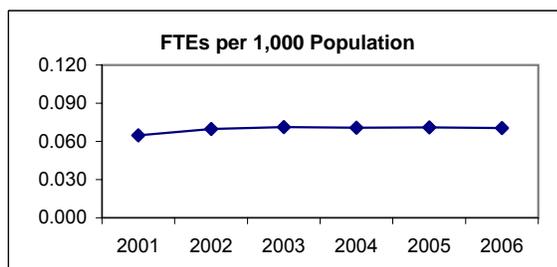
- Initiatives:**
1. Update the human services needs analysis with emphasis on system capacity and service gaps.
  2. Provide recommendations to Council on human services funding for the 2005-2006 funding cycle.
  3. Continue to play a key role in regional collaboration efforts such as the Eastside Human Services Forum and the King County Task Force on Regional Human Services.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$2,651	\$3,693	\$4,267	\$3,391	\$3,562	\$3,447
Reserves	261	253	315	323	202	277
Total Budget	\$2,911	\$3,947	\$4,582	\$3,714	\$3,764	\$3,724
FTEs	7.2	8.2	8.3	8.2	8.3	8.3

**Historical Trends**



\*The budget per capita for this program can fluctuate due to changes in the timing of grant revenues and expenditures. Overall, the budget per capita has been fairly constant over time.



\*FTEs per 1,000 population has remained fairly constant over time.

**1. Desired Program Outcomes:**

- A) Provide resources to assist low- and moderate-income residents to become economically self-sufficient.
- B) Ensure that support systems are in place which help individuals and families through times of personal or financial crisis.
- C) To help meet the needs of a culturally diverse community, thereby building a stronger, more unified city.

**2. Activities - Services provided to achieve outcomes:**

- A) Provide the Council and Human Services Commission with information on the status of human service "safety net" and the human service needs of Bellevue residents.
- B) Facilitate the community's response to human services needs via collaboration and funding.
- C) Provide cultural diversity education assistance and referral, and plan related events and programs.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 3. Performance Measures:

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Percent of clients obtaining jobs or completing job training.	61%	81%	70%	60%	60%	70%	70%
B) Percent of contract goals met by contracted agencies	84%	90%	90%	85%	85%	85%	85%
A) Percent of clients who receive housing assistance making progress toward unsubsidized housing	85%	77%	71%	75%	75%	75%	75%
C) Percent of participants reporting increased involvement in the community as a direct result of cultural diversity programs	91%	93%	97%	90%	90%	90%	90%
<u>Efficiency</u>							
N/A							
<u>Workload</u>							
A) Number of home repair clients served	48	37	50	45	45	45	45
B) Number of contracts managed	74	80	78	65	65	70	70

### 4. Program Notes:

The Human Services and Cultural Diversity Program is able to leverage community resources to help meet the needs of low- and moderate-income residents. Funds are efficiently allocated, and contracted services are regularly monitored to assure contract compliance.

**V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES**

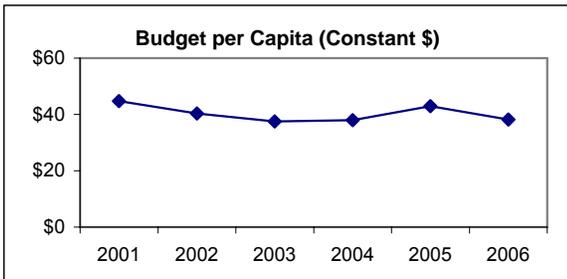
**Program:** Parks Enterprise Services

**Description:** The Enterprise Services program offers high quality programs and services including golf, tennis, aquatics, adult sports, and facility rentals. These programs are fee-based and primarily self supporting, but attempt to accommodate all residents regardless of the ability to pay through the use of scholarships, sponsorships, and fee waivers. Additionally, a portion of each program is directed to individuals with special needs.

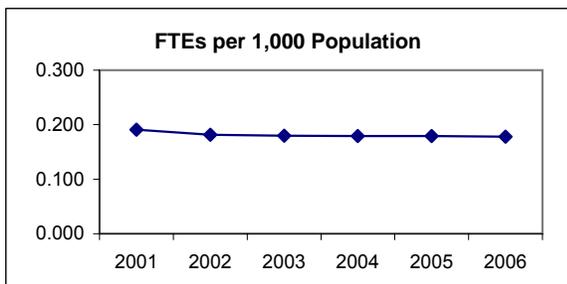
- Initiatives:**
1. Continue to expand youth swim lesson opportunities at the Bellevue Aquatic Center.
  2. Continue to market corporate picnic package rentals and indoor facility rentals.
  3. Expand lesson opportunities for youth and adults at Robinswood Tennis Center through efficient use of the covered air structure.
  4. Explore opportunities to utilize the Miller property adjacent to the golf course while ensuring the ongoing fiscal performance of the Enterprise program.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$4,574	\$4,434	\$4,066	\$4,178	\$4,922	\$4,396
Reserves	421	411	526	589	610	660
Total Budget	\$4,995	\$4,845	\$4,592	\$4,767	\$5,533	\$5,055
FTEs	21.3	21.2	20.9	20.8	21.0	21.0

**Historical Trends**



\*Budget per capita has remained fairly constant over time.



\*The ratio of staff to population has remained fairly constant over time.

**1. Desired Program Outcomes:**

- A) Meet Enterprise Program cost recovery goals as adopted in the Recreation Program Plan, and minimize General Fund subsidy of parks enterprise programs.
- B) Maximize the community's use of parks and facilities.
- C) Ensure that residents have a range of opportunities for socialization and recreation.

## V. PROGRAM OVERVIEW - PARKS & COMMUNITY SERVICES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide activities at Robinswood Tennis Center, Bellevue Aquatic Center, Bellevue Golf Course, Crossroads Golf Course, and through the Adult Sports League programs.
- B) Provide ballfield rentals, picnic rentals, facility rentals (Robinswood House, Winters House, Lake Hills Clubhouse), and boat launch.
- C) Provide programs that accommodate the needs of special populations, youth and seniors, including developmentally disabled tennis instruction, therapy programs at the Bellevue Aquatic Center, and special programming that benefits youth and senior populations.

### 3. **Performance Measures:**

(Note: the letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
B) Number of participants benefiting from sponsorships, scholarships, or fee waivers.	1,954	3,362	1,636	4,000	4,000	4,000	4,000
C) Percent of Golf Course participants surveyed rating customer service and course conditions as good or excellent	89%	96%	87%	88%	88%	90%	90%
C) Percent of customers surveyed rating programs and facilities as good or excellent	91%	92%	94%	95%	95%	92%	92%
<u>Efficiency</u>							
A) Percent cost recovery	102%	101%	102%	100%	100%	100%	100%
<u>Workload</u>							
B) Number of rounds of golf, Bellevue and Crossroads Golf courses	83,415	81,444	76,237	85,000	85,000	80,000	80,000

### 4. **Program Notes:**

## VI. 2005-2006 CIP PLAN PROJECTS - PARKS

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### PARK ACQUISITION & DEVELOPMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
P-AD-15	Property Acquisition	O	\$1,000	\$34,094
P-AD-27	Planning/Design for Existing and Future Park Facilities	O	202	2,876
P-AD-30	Open Space Acquisitions	AB	500	6,376
P-AD-36	Sportsfield Development	AB	161	4,412
P-AD-49	LID Assessments for Park Properties	AB	171	1,571
P-AD-52	Mini Park Opportunities	O	550	3,128
P-AD-57	Youth Link Priority Projects - Non-Traditional Recreation Facilities	AB	200	413
P-AD-58	Crossroads Park and Community Center	AB	1,372	4,840
P-AD-59	Resource Management Division Facility	AB	700	1,946
P-AD-60	Lewis Creek Park Site - Master Planning & Park Development	AB	937	5,604
P-AD-61	South Bellevue Community Center	AB	7,352	11,670
P-AD-69	Bellevue Challenge Grant	AB	500	1,023
P-AD-70	Marina Development Master Plan	AB	193	218
TOTAL PARK ACQUISITION & DEVELOPMENT			<u>\$13,838</u>	<u>\$78,171</u>

**Project Status Key:**

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

**VI. 2005-2006 CIP PLAN PROJECTS - PARKS****PARK REDEVELOPMENT**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
P-R-2	Enterprise Facility Improvements	O	\$1,113	\$9,011
P-R-11	Renovation & Refurbishment of Park Facilities	O	2,723	30,351
TOTAL PARK REDEVELOPMENT			\$3,836	\$39,362

**NEIGHBORHOOD ENHANCEMENT PROGRAM (NEP)**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
* NEP-1	Neighborhood Enhancement Program	O	\$1,080	\$8,092
TOTAL NEP			\$1,080	\$8,092

**NEIGHBORHOOD INVESTMENT STRATEGY (NIS)**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
* NIS-1	West Lake Hills NIS Improvements	AB	\$5,195	\$6,500
TOTAL NIS			\$5,195	\$6,500

**Project Status Key:**

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

\* These projects are managed by the Planning & Community Development Department, with Parks and Transportation project elements. Allocations may differ based upon actual project implementation.

## PARKS & COMMUNITY SERVICES

### FINANCIAL SUMMARY

\$000

<b>COMPARISON</b>				
<b><u>Resources by Source</u></b>	<b><u>2003-2004 Budget</u></b>	<b><u>2005-2006 Budget</u></b>	<b><u>\$ Change</u></b>	<b><u>% Change</u></b>
Beginning Fund Balance	\$6,217	\$6,136	(\$81)	(1.3%)
Restricted Revenues:				
Property Tax	1,982	1,982	0	0.0%
Other Taxes	6,902	8,899	1,997	28.9%
Grants	1,802	294	(1,508)	(83.7%)
Charges for Services	8,404	8,926	522	6.2%
Miscellaneous Revenue	3,597	4,569	972	27.0%
Operating Transfers	1,488	1,794	306	20.5%
Unrestricted Revenues	<u>65,380</u>	<u>65,294</u>	<u>(86)</u>	<u>(.1%)</u>
Total Revenues	89,555	91,758	2,203	2.5%
<b>Total Resources</b>	<b><u>\$95,772</u></b>	<b><u>\$97,894</u></b>	<b><u>\$2,122</u></b>	<b><u>2.2%</u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$39,852	\$43,918	\$4,066	10.2%
Human Services Fund	4,169	4,534	365	8.8%
Land Purchase Revolving Fund	1,097	480	(617)	(56.2%)
Marina Fund	0	880	880	0.0%
Park M&O Reserve	166	186	20	0.0%
Parks Enterprise Fund	7,464	7,737	273	3.7%
Facilities Services Fund	5,666	6,423	757	13.4%
Special, Non-Operating Funds:				
Operating Grants & Donations	2,128	845	(1,283)	(60.3%)
Debt Service Regular	478	504	25	5.3%
Debt Service Voted	3,997	3,118	(879)	(22.0%)
Capital Investment:				
General CIP Fund	<u>24,619</u>	<u>23,949</u>	<u>(670)</u>	<u>(2.7%)</u>
Subtotal Expenditures	89,636	92,574	2,938	3.3%
Ending Fund Balance	<u>6,136</u>	<u>5,320</u>	<u>(816)</u>	<u>(13.3%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$95,772</u></b>	<b><u>\$97,894</u></b>	<b><u>\$2,122</u></b>	<b><u>2.2%</u></b>

# CITY OF BELLEVUE PARKS & COMMUNITY SERVICES

**DIRECTOR**  
Patrick Foran

**Planning, Design, & Project Management Division**  
 CIP Development & Implementation  
 Neighborhood Enhancement Design Review  
 Park Master Planning

**Fiscal & Quality Control**  
 Budget Coordination  
 Fiscal Management  
 Quality Control  
 Performance Measures

**Special Projects**  
 Senior Admin Asst

**ASSISTANT DIRECTOR**  
Terry Higashiyama

**Recreation & Special Services Division**  
 Community Recreation  
 Special Recreation  
 Youth Link  
 Teen Services

**Resource Management Division**  
 Grounds Maintenance  
 Structural Maintenance

**Natural Resources Division**  
 Facilities Mgmt Division  
 Probation Division  
 Cultural Diversity  
 Enterprise Division

**ASSISTANT DIRECTOR**  
Shelley Marelli

**Administrative Division**  
 Administrative Services  
 Human Resources  
 Information Services

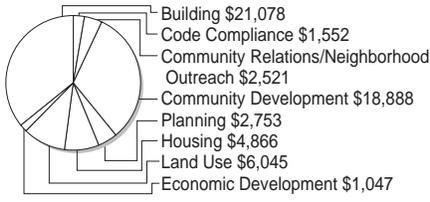
Strategic Planning  
 - Marketing  
 - Volunteer Support  
 GAPS (Grants, Alliances, Partnerships, & Sponsorships)  
 Property Management/Acquisition  
 Service First  
 Public Information Officer

**Human Services Division**  
 Human Services Commission  
 Park & Comm Svcs Board  
 Legislative Liaison

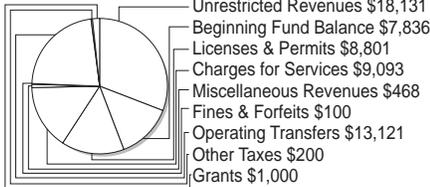
# PLANNING & COMMUNITY DEVELOPMENT

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

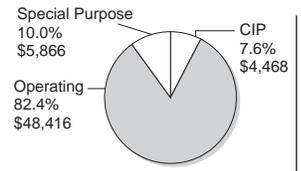


### Budget Data

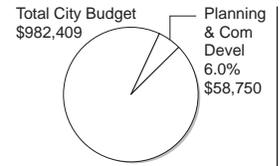
\$000

<b>2005-2006 Budget</b>	<b>\$58,750</b>
<b>Change from 2003-2004:</b>	<b>\$4,748</b>
<b>Change per Capita:</b>	<b>(6.7%)</b>
<b>2005 FTEs:</b>	<b>97.8</b>
<b>2006 FTEs:</b>	<b>97.8</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(2.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(2.6%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

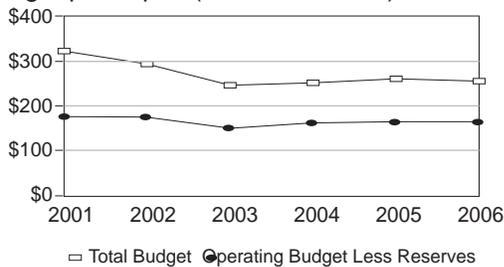


### Percent of Total Budget



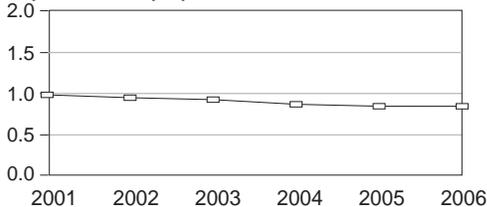
### Historical Trends

Budget per capita (constant dollars)



- The increase in the 2005-2006 budget is largely due to an increasing workload facing Development Services. As a result, 9.0 Limited Term Employees (LTE) positions were added and \$100,000 for contract plan review services.
- Beginning in 2004, the direct labor costs for permit review and inspection work from Fire, Transportation and Utilities Departments were consolidated in the Planning & Community Development budget. This resulted in approximately \$2 million additional expenditure budget per year for 2004 through 2006.

FTEs per 1,000 population



- In the 2005-2006, 1.0 FTE was transferred to Finance as part of the City-wide centralization of finance staff.
- PCD reduced 1.0 vacant FTE as part of the efficiency gains from City-wide Finance and Human Resources System replacement project (ERP).

### Significant Budget Issues

- Identify a preferred land use and transportation future that re-focuses the Bel-Red area to become a more strategic element of the City's growth and economic development strategy.
- Continuing commitment to timelines, predictability, certainty and development quality that supports and enhances the vitality of the City and fulfills the vision articulated in the Comprehensive Plan.
- Amend the Crossroads plan to reposition the Crossroads Shopping Center and its immediate vicinity to increase economic vitality and livability of this area.
- Address major changes in the Eastgate Subarea, advancing economic opportunity, and developing a stronger urban design and area identity.
- Develop Land Use Code amendments that help ensure compatibility of infill development.
- Continue implementation of NIS-2 (Neighborhood Reinvestment Initiative) that focuses on older Bellevue Neighborhoods. Development of targeted strategies to spur higher levels of private reinvestment.
- Follow through on updated Comprehensive Plan policies addressing housing affordability and diversity.
- Implement elements of the Cultural Compass.

## II. MISSION & GOALS

### Mission:

The mission of the Planning & Community Development (PCD) Department is to help create and sustain a quality natural and built environment and to guide growth and change in a manner which preserves and enhances the character of the community. The PCD staff work with residents, businesses, elected leaders, and other departments to achieve Bellevue's potential as an outstanding city in which to live and work.

### Goals:

1. To assist the City Council and Planning Commission in establishing and implementing the Comprehensive Plan and to foster development that is consistent with the Plan.
2. To administer construction codes that produce a safe, durable, efficient and accessible built environment.
3. To support the development of strong and stable neighborhoods, and to strengthen the City's bond with neighborhoods through coordinated outreach programs and community partnerships.
4. To enhance community problem-solving through mediation services and training.
5. To provide meaningful ways for the public to be involved in land use decisions.
6. To enforce codes and regulations effectively and fairly.
7. To encourage the development of affordable housing.
8. To represent the community's needs and views in regional planning and decision-making.
9. To provide citizens and governmental decision-makers with accurate and useful information through surveys, forecasts, and data management.
10. To collaborate in the development of projects and programs which contribute to Bellevue's economic vitality.
11. To assist the City Council and City Manager in developing new programs and policies which respond to emerging community needs and issues.

## III. 2003-2004 WORK ACCOMPLISHMENTS

### *Planning Division*

- Adopted major update to the Comprehensive Plan, the Plan's first major overhaul since 1993, with major substantive changes to the Vision, Land Use, Housing, Economic Development, and Environmental Elements and the Downtown Subarea Plan. The update included numerous opportunities for public involvement with open houses, housing fair, web site, mailings, and public hearing.
- CAC unanimously recommended Critical Areas policies to Council and Planning Commission incorporating best available science and special protections for anadromous fish.

- CAC completed Downtown Implementation Plan with recommendations on an updated transportation system to serve the next 20 years of Downtown growth; and urban design principles collectively called “the Great Place Strategy.” The Bellevue Downtown Association has taken the Great Place Strategy as an organizing theme, and implementation work is moving forward.
- Conducted an intensive Downtown Design Charrette, based on the design principles developed by the DIP, which generated numerous tangible ideas for developing a stronger urban design image and identity for Downtown Bellevue neighborhoods. Some 60 design professionals participated in this event, donating an estimated \$150,000 of design talent to the City.
- Processed annual Comprehensive Plan Amendments and accompanying rezones. One example was the Pedestrian crossing (sky bridge) CPA, a highly visible CPA processed under a tight timeframe, closely coordinated with the implementing LUCA.
- Continued annexation work program, including annexation of the “Tax Lots,” updated Eastgate fiscal analysis, work with Redmond on inter-jurisdictional annexation issues
- Developed a regional economic analysis of Bellevue to evaluate the nature of a high capacity transit system that best serves Bellevue’s economic future.
- Initiated work on High Capacity Transit planning and related opportunities for potential land use changes in portions of an Eastside HCT corridor.
- Conducted an analysis of short-term/visitor parking needs in Downtown Bellevue, including a public survey and focus groups, and identification of strategies to pursue a “park once” concept.
- Worked with Transportation on an analysis of Downtown bus layover options, with the objective of meeting this need while minimizing impacts on other Downtown land uses and the pedestrian environment.
- Coordinated City departments’ and citizen involvement in continued implementation of West Lake Hills NIS. In 2003 this project received the Natl. League of Cities’ James Howland Award for Urban Enrichment.
- Convened stakeholder group and engaged successful neighborhood mediation effort to establish preferred redevelopment concept for Lake Hills Shopping Center.
- Via an interdepartmental group, developed and implemented an action plan for increasing outreach to Bellevue’s increasingly diverse community, including: Spanish language Web site, Spanish info line, translator training.
- Developed a variety of approaches to address housing maintenance, including the SPIN collaborative program with Crossroads merchants, the Lake Hills Cleanup Challenge, and the new Home and Neighborhood maintenance section of the City Web site.
- Managed most productive NEP year on record, competing \$1.3 million in neighborhood improvements in 2003.
- Increased participation in Neighborhood Match Program by 150%.

- Published a variety of key neighborhood communication elements, including 12 issues of *Neighborhood Focus*, the center section of *It's Your City*, and 24 issues of *Neighborhood News*, a monthly newsletter and calendar for active City residents.

### ***Land Use Division***

- Managed adoption of the four party Agreement for the Coordinated Planning of NE 10<sup>th</sup> Street Extension and Overlake Hospital Medical Center Expansion.
- Eliminated references to Sammamish Community Council throughout the code.
- Adopted Land Use Code (LUC) amendments to:
  - Facilitate neighborhood compatible deployment of wireless installations.
  - Resolve interdepartmental code conflicts identified through DSI.
  - Foster economic development through process and code consistency in decision criteria and through expansion of addition of allowable uses in Neighborhood Business, General Commercial and Office Limited Business districts.
  - Provide for efficient review and neighborhood compatible deployment of the Bellevue School District \$500 million capital improvement project.
  - Provide regulations for review of Essential Public Facilities.
  - Downtown Overlay to provide for the public review of sky bridge proposals, expanded flexibility in the amenity incentives associated with mid-block pedestrian oriented retail, increased flexibility in project phasing and expanded vesting for major downtown projects.
  - Management of scientific study and adoption of static elevation for the measurement of shoreline structure setbacks on Lake Sammamish.
- Managed Kelsey Creek Shopping Center Stream reach study to reduce setbacks necessary to provide enhanced development flexibility.
- Adopted sign code amendments to allow for signage at the top of high rise buildings.
- Adopted sign code amendments to allow flexibility in joint sales events by auto dealers and expanded allowance for estate and real estate sales.

### ***Building Division***

- Adopted the new State Building Code (the International Building Codes) through a collaborative effort with nine eastside cities creating a common adoption ordinance.
- Updated the Clearing and Grading Code to better reflect "Best Management Practices" and modification to plat clearing limits, a change recommended by the Construction Code Advisory Committee.
- Delivered extensive code change training to city staff and construction industry professionals.

- Expanded the number of permits available on-line at our MyBuildingPermit.com web site and available code information posted on the site.
- Created continued growth in the combination inspection program reducing the number of inspector trips needed to deliver comprehensive inspection services.

### ***Community Development, Arts***

- Completed development of the Cultural Compass and initiated implementation of certain elements.
- Provided leadership in completing the update to the Economic Impact Study for Eastside Arts.
- Completed planning and held the Bellevue Sculpture Exhibition.
- New City Building Milestones:
  - After purchase of the Qwest Building at the end of 2002, staff worked with Council appointed Technical Advisory Committee to formulate recommendations for the appropriate use of the new building and the appropriate level of renovation for the new building including part of the schematic design.
  - Held numerous public hearings and public open houses to solicit public input on the project.
  - Established preliminary scope and budget with Council and initiated part 2 of the schematic design.
  - Selected and contracted with a GC/CM contractor to assist the project team during the design phase and to prepare a Maximum Allowable Cost proposal for the project.
  - Finished design development on the project within the preliminary scope and budget targets set by Council.
  - Negotiated final scope and budget agreements with the GC/CM contractor and initiated construction phase of the project.
  - Completed final design and began construction of the facility improvements in 2004.

### ***Economic Development***

- Completed a Feasibility study on a potential Port of Seattle Investment in the expansion of Meydenbauer Center. Adopted a Memorandum of Understanding regarding the scope and terms for Port participation.
- Proposed an economic development policy addressing direct City investment and regulatory incentives to support private development supportive of City goals.
- Implemented the GIS Web browser (EastsideProperty.biz), an economic development marketing tool designed to showcase available commercial space. Working with the eGov alliance and the IT Department, this tool has now expanded to 12 participating cities and generates 1,500 visitors per month.

- Worked with a consortium of business, government, and academic institutions to build the Bellevue Entrepreneur Center. In its first year of operation, BEC counseled over 100 business clients and had an economic impact of over \$11 million. A micro loan program inaugurated in mid-2004 is expected to raise \$0.5 million from local banks to “seed” currently unbankable small business entrepreneurs.
- Continued to work with the Bellevue Economic Partnership on a variety of business recruitments.
- Assisted the Bellevue Farmers’ Market to establish a successful first year of operation.
- Completed a report to council on the role of the City in Economic development, including target funding levels, and role definition for the City and other entities in the City working on economic development issues.
- Working with the BCCA, developed marketing and funding options for convention and visitor marketing.

### ***Development Services***

- Streamlined permit review processes for faster more predictable services for homeowners and commercial builders.
- Created a new fiscal management and rate structure for development services that includes consistent cost recovery objectives for primary functions.
- Organizational and management changes placing a single deputy director in charge of operational issues related to development services.
- Implementation of a project manager structure (single point of contact) to manage complex land use and other discretionary approvals.
- Implementation of a consistent, system wide staff performance appraisal and rating system for all staff working in development services.
- Development of a single point of contact for complaints that cross departments related to development services activities.
- Significantly expanded available customer information to help applicants understand city codes and permitting processes.
- Completed our second annual customer survey that showed a significant upward trend in customer satisfaction.
- Developed a comprehensive workload and financial forecasting tool to help maintain alignment of resources with demand through development cycles.

## **IV. 2005-2006 MAJOR WORK INITIATIVES**

### ***Economic Vitality/Development***

- Development Services - Continuing commitment to timelines, predictability, certainty and development quality that supports and enhances the vitality of the City and fulfills the vision articulated in the Comprehensive Plan.

- Bel-Red Corridor/High Capacity Transit Planning – Identify preferred land use and transportation future that re-focuses the Bel-Red area to become a more strategic element of the City's growth and economic development strategy. This work will be done in close coordination with Sound Transit planning for Eastside High Capacity Transit and City of Redmond planning for the inter-jurisdictional BROTS area.
- Convention Center Expansion – Continue work with the Port of Seattle to develop financing strategies to support an expanded center. Continue work to secure a developer/operator for a strategically located hotel that supports the business plan of the Center.
- DIP - Continue early implementation of the Downtown Plan. This includes an intensive Downtown design charrette which builds upon the DIP urban design principles.
- Crossroads Commercial area revitalization – Amend the Crossroads plan to reposition the Crossroads Shopping Center and its immediate vicinity to increase economic vitality and livability of this area of the City.
- Eastgate Subarea – address major changes occurring in this area, advancing economic opportunity, and developing a stronger urban design and area identity.
- Economic Profile - Develop an expanded economic profile of Bellevue to better identify Bellevue's economic trends, strengths and weaknesses that can help target ED activities.
- ED Partnership Policy- Develop a policy framework to guide City decisions about entering into public/private partnerships.
- ED Ombudsman, support for BEP, other ongoing ED functions- Continue an array of activities that support business retention, expansion and recruitment.

### ***Neighborhood Investment/Reinvestment***

- Develop Land Use Code amendments that help ensure compatibility of infill development (Mega houses, minimum lot sizes, design standards for infill development greater than a specified size and scale, guest cottages, detached accessory structures, frontage improvements, and street trees throughout the City).
- West Lake Hills Implementation – Continue coordinating cross-departmental work implementing the recommendations of the West Lake Hills CAC.
- NIS-2 (Neighborhood Reinvestment Initiative) – This initiative focuses on older Bellevue neighborhoods, building on the original Neighborhood Investment Strategy pilot, and taking the next step to address specific and persistent problems reported by residents of these aging areas. Targeted strategies will be developed to spur higher levels of private reinvestment.
- Housing Policy Implementation – Follow through on updated Comprehensive Plan policies addressing housing affordability and diversity.
- Continue the efforts currently employed to maintain and improve the quality of life in Bellevue neighborhoods such as Neighborhood Outreach, NEP, Mini-City Hall, Mediation, Neighborhood Liaisons, etc.

- Crossroads commercial area revitalization (described above--co-listed with Economic Vitality/Development).

***Cultural Enrichment***

- Implementation of elements of the Cultural Compass.
- Continue to provide support to the arts and cultural organizations that share the City's vision.
- DIP Implementation (described above--co-listed with Economic Vitality/Development).

***Other Major Initiatives***

- Interjurisdictional Partnerships – Expand partnerships with neighboring cities to improve consistency in construction code enforcement and to leverage technology investments by increasing the number of on-line services and providing better access to information.

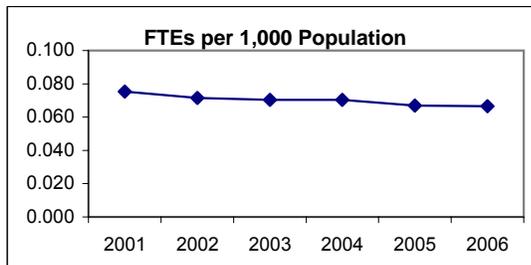
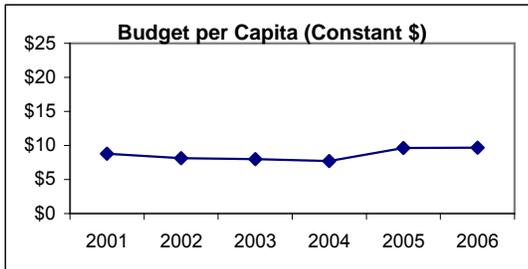
**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

**Program:** Neighborhood and Community Outreach

**Description:** To improve City/neighborhood relationships and build neighborhood capacity, this program: improves information flow and connection between the City, its residents and businesses so plans and programs are more responsive to needs and desires; coordinates the construction of neighborhood improvement projects; supports the development of strong and stable residential neighborhoods by providing information, coordination, and partnerships with community organizations; fosters problem solving skills to strengthen relationships and decrease reliance upon City government intervention.

- Initiatives:**
1. Coordinate the completion of cross-departmental projects prioritized by the community and funded by the City Council as part of the West lake Hills Neighborhood Investment Strategy.
  2. Coordinate the next phase of the Neighborhood Investment Strategy, focusing on the development of tools to encourage private reinvestment in older neighborhoods.
  3. Develop the Neighborhood Service center as a key feature of the New City Hall, offering assistance and comprehensive information about neighborhood programs and services.
  4. Work with neighborhood stakeholders to implement ideas for upgrade of lake Hills Shopping center and

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$981	\$977	\$976	\$966	\$1,237	\$1,284
Reserves	0	0	0	0	0	0
Total Budget	\$981	\$977	\$976	\$966	\$1,237	\$1,284
FTEs	8.4	8.4	8.2	8.2	7.9	7.9



**Historical Trends**

\*2004 includes one time funding for a Neighborhood Summit.

\*Budget in 2005 and 2006 includes an additional \$250,000 for the Neighborhood Investment Strategy Future Areas program.

\*Staffing levels remained relatively constant since 2001. Decreases are due to reduced staffing costs allocated from Department overhead positions.

**1. Desired Program Outcomes:**

- A) Improve connections between citizens and the City to build channels of communication, trusting relationships, and a sense of community.
- B) Provide residents with the means to become more involved and effective in improving their neighborhoods.
- C) Increase satisfaction with neighborhood quality and livability.
- D) Enhance problem solving skills in the community by providing training to all citizens.
- E) Establish a corps of diverse volunteer conciliators and mediators to maximize community involvement.

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT****2. Activities - Services provided to achieve outcomes:**

- A) Continue to develop Neighborhood Liaison and Neighborhood Network programs to build partnerships within neighborhoods.
- B) Use Neighbors in Partnership (multi-family) program to identify effective means of communication with the multi-family community.
- C) Continue to track customer satisfaction at mini city halls and adapt programs to changing needs.
- D) Conduct Neighborhood Enhancement Project (NEP) processes and post outcomes to web.
- E) Manage Neighborhood Mediation Program and continue to develop volunteer capacity.
- F) Broaden and continue to develop Parent-Teen mediation project.

**3. Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A/B) # of single family households participating in NEP	1,500	3,128	2,426	2,000	2,000	2,400	1,400
A) # using Crossroads Mini City Hall	19,845	20,023	20,112	19,800	20,000	20,100	20,150
A) % aware of/satisfied with Crossroads Mini City Hall	63/96%	70/97%	71/94%	65/98%	65/98%	72/95%	72/95%
B) # of neighborhood liaison contacts	2,649	2,493	2,492	2,650	2,700	2,700	2,750
B) % aware of/satisfied with NEP	36/88%	43/84%	42/91%	40/95%	40/95%	42/95%	43/95%
B) % feeling very strong sense of community	26%	23%	30%	28%	29%	31%	32%
C) % rating neighborhood good/excellent	91%	89%	92%	91%	91%	92%	92%
D) % agreements reached in mediation	73%	72%	72%	80%	80%	80%	80%
<u>Efficiency</u>							
A) Value of volunteer hours at Crossroads Mini City Hall	\$17,445	\$17,991	\$20,375	\$17,500	\$17,650	\$18,000	\$18,500
<u>Workload</u>							
B) # of NEP citizen action requests	NA	250	858	450	450	700	700

**4. Program Notes:**

This program will continue its emphasis on building in neighborhoods. Through the Neighborhood Liaison Program, Neighborhood Networks, Neighborhood Enhancement, Neighbors in Partnership and Neighborhood Mediation, the City will work to develop strong communications and effective partnerships with Bellevue's neighborhoods and community associations.

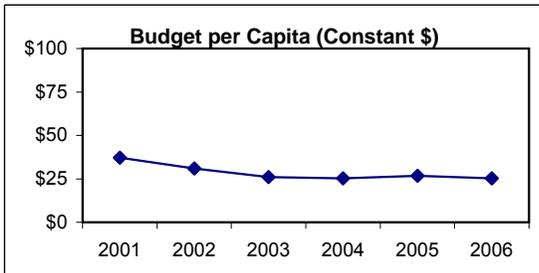
**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

**Program:** Land Use

**Description:** This program manages the private and public development review process so that new development supports and enhances the attractive, lively, safe, and gracious character of the City and fulfills the objectives of Bellevue's citizens as stated in the Comprehensive Plan.

- Initiatives:**
1. Adopt critical areas regulations that incorporate best available science.
  2. Continue to participate with other Departments in the DSI initiative and to sustain improvements made.
  3. Resolve interdepartmental code conflicts identified through DSI process.
  4. Revise, adopt and educate clients regarding procedurs and codes to foster economic development.
  5. Adopt and implement medical institution regulations to facilitate Overlake Hospital and Group Health expansions.
  6. Consolidate and simplify noise code regulations relating to amplified sound.
  7. Revise concomitant agreements for Lake Hills and Kelsey Creek shopping centers to facilitate neighborhood appropriate redevelopment.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$2,909	\$2,790	\$2,490	\$2,429	\$2,687	\$2,749
Reserves	1,229	921	699	737	751	609
Total Budget	\$4,138	\$3,711	\$3,189	\$3,166	\$3,438	\$3,358
FTEs	24.4	24.4	22.3	21.3	21.3	21.3



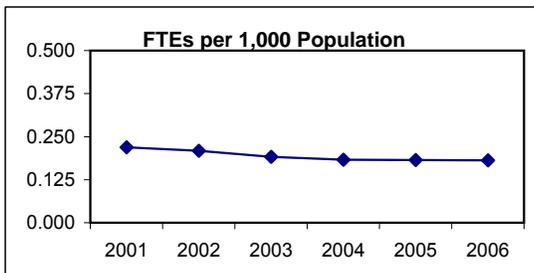
**Historical Trends**

\*Reserves from 2001-2002 were drawn down due to the drop in major project applications and reduced revenue.

\*During 2001-2002, staffing costs continued while the division worked off the prepaid revenue. The LTE staff were added in response to increased permit volumes. These positions were funded 100% by fees.

\*Cost reductions started in 2003 with elimination of all of the 2 LTE positions and a Planning Manager position.

\*The 2004 Budget includes \$75,000 for Critical Areas.



\*A Planning Manager was eliminated in 2003-2004 in response to significant decreases in forecasted workload. The reduction was effective in February 2003 but not reflected in the budgeted FTEs until 2004.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 1. **Desired Program Outcomes:**

- A) Development that enhances the built environment, protects natural resources, promotes public safety, strengthens neighborhoods, and, when applicable, promotes the pedestrian and design objectives of the Downtown
- B) Meaningful opportunities for public involvement in land use decision-making processes.
- C) Excellent customer services through professional, fair, accurate, consistent, timely, predictable, and cost effective service by qualified staff.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Develop surveys, including focus groups of users and involved citizens, to rate land use processes and results.
- B) Continue fine-tuning regulatory reform program to implement new codes and processes for land use review and public information.
- C) Review land use, environmental, and clearing & grading applications for proposed development.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

		<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>								
C)	Percent of Cost Recovery target achieved	87%	93%	92%	90%	90%	90%	90%
C)	Complete all land use projects I and II within 120 clock days.	92%	89%	89%	85%	85%	85%	85%
<u>Efficiency</u>								
C)	Number of Land Use hours per total number of applications reviewed by Land Use staff	5.6 hrs	5.1 hrs	4.4 hrs	5.5 hrs	5.5 hrs	5.0 hrs	5.0 hrs
<u>Workload</u>								
B/C)	Average weekly walk-in customers served by Land Use in the Permit Center	89	81	84	100	100	100	100
B/C)	Land Use billable hours	36%	31%	35%	36%	36%	36%	36%

### 4. **Program Notes:**

This program has implemented reforms in our permit processing procedures that reduce the amount of time needed to complete permit review, and we are operating more efficiently. Process improvements in development review continue to be identified and implemented function-wide through the DSI process.

Monitoring workload and being able to adjust staffing levels is key to maintaining these efficiencies without jeopardizing the quality of review and services provided. The DSI initiative focused on function-wide monitoring and performance and will continue to improve project management information and coordination between PCD staff, clients and other reviewing departments. We continue to focus on customer service and seek alternative ways to enhance communication and disseminate public information about process and regulations, and encouraging public participation.

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

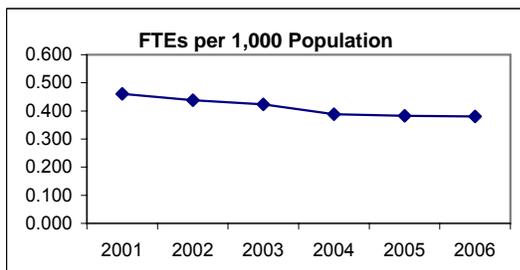
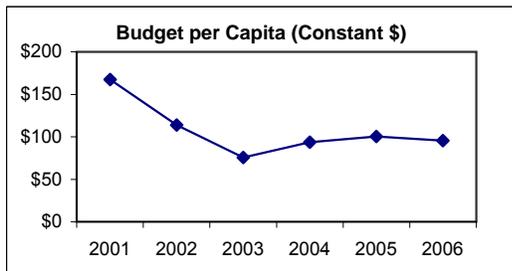
**Program:** Building Review and Inspection

**Description:** This program provides education, plan review, and inspection services to produce safe, durable, energy-efficient, and accessible buildings for all building users.

- Initiatives:**
1. Initiate and complete Inspection Services phase of development Services Improvement (DSI) initiative.
  2. Continue expanding the combination inspection program.
  3. Enhance service and customer information provided on MyBuildingPermit.com
  4. Sustain and continue DSI improvement in plan review.
  5. Expand training offered to contractors and design professionals through MyBuildingPermit.com.

Budget (\$000s)  
Reserves  
Total Budget  
FTEs

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$7,189	\$7,236	\$5,344	\$7,475	\$8,421	\$8,683
Reserves	11,491	6,414	3,886	4,269	4,483	3,974
Total Budget	\$18,680	\$13,650	\$9,230	\$11,744	\$12,904	\$12,657
FTEs	51.4	51.3	49.3	45.3	44.8	44.8



**Historical Trends**

\*Reserve decline in 2002 due to significant drop off of major projects being applied for, resulting in lower revenue receipts.

\*The 2003-2004 budgeted ending reserves shows dramatic reductions due to the continuing decline in the revenue and the increasing costs to perform prepaid inspections.

\*Due to the continuing decline in workload, the building division made over \$2.0 million in budget reductions in 2003 in order to match expenditures with the forecasted revenue/workload for 2003-2004.

\*The 2005-2006 budget includes increasing costs for LTE positions, gearing up for the anticipated increase in workload in the summer of 2005.

\*The use of contracts and LTEs for peak workload in plan review and inspection allows the program to maintain relatively constant core staffing levels during normal construction cycles.

\*During 2003, 4.0 FTE inspectors and 1.0 LTE inspector positions were eliminated due to lower workload projections.

\*During 2003, 1.0 FTE plans examiner position was eliminated and reclassified to provide Building support. The shift was made to allow the division to delay the implementation of the wireless project, a cost cutting measure.

\*In 2005 added 4 LTE inspectors, 2 LTE reviewers, 1 LTE permit technician and 1 LTE Building support position to handle forecasted increased workload in Development Services.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 1. **Desired Program Outcomes:**

- A) Assure that buildings are constructed to meet minimum code standards.
- B) Assure that there is consistency in code application among City staff and between Bellevue and surrounding jurisdictions.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Review construction plans, specifications, and engineering calculations.
- B) Inspect all active construction projects and actively monitor erosion control practices.
- C) Provide technical assistance to designers, builders, and the public.
- D) Actively abate unsafe and dangerous structures.
- E) Provide training to designers, builders and the public on construction codes and the permit process.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
B) Maintain a 3 or better Building Code Effectiveness Classification (1 is the highest)	2	2	2	2	2	2	2
A) Obtain final inspections on all construction requiring permits	68.0%	64.0%	64.0%	80.0%	80.0%	80.0%	80.0%
B) Percent of technical staff certified or licensed by a recognized technical/professional organization	100%	100%	100%	100%	100%	100%	100%
A) Percent of combination inspections to total inspections	1.9%	2.7%	6.0%	10.0%	15.0%	15.0%	15.0%
<u>Efficiency</u>							
B) Average number of days for processing building permits	26.4	22.5	10.4	20.0	20.0	20.0	20.0
B) Cost of plan review per \$1,000 of construction valuation	\$3.74	\$3.63	\$3.96	\$4.00	\$4.00	\$ 4.00	\$ 4.00
<u>Workload</u>							
A) Total number of construction inspections performed	38,369	38,594	38,248	30,000	30,000	30,000	30,000
A) Total construction permit applications completed per year	6,377	6,138	7,375	6,000	6,000	6,000	6,000
B) Total technical training hours per FTE	40.6	28.0	36.5	120.0	120.0	120.0	120.0

### 4. **Program Notes:**

The building review and inspection program is continually adjusted to achieve efficiency gains and to respond to changing expectations of our clients. The consolidation of permits, increased emphasis on customer education, and full implementation of our combination inspection program are all examples of these efforts. In the 2003-2004 biennium, we will continue to focus efforts on the DSI initiative to meet customer needs for responsiveness, improving consistency in the application of codes, effectiveness and implementing new technologies to meet established Department and City objectives.

Monitoring workload, permit volumes and reserve levels are crucial elements in managing the building division in order to ensure that adequate staff are available to provide quality review and inspection services.

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

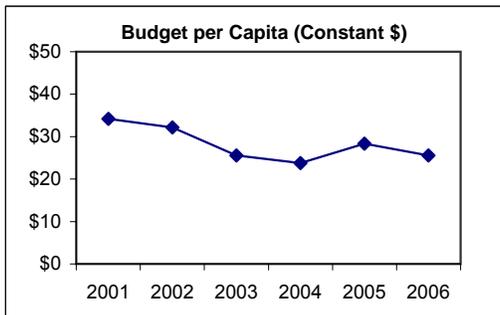
**Program:** Housing

**Description:** This program increases the supply of affordable housing to meet the housing target obligation established in the Countywide Planning Policies. Based on recent Council direction, the primary avenue for this program is ARCH, which is to follow priority criteria in developing proposals for use of the Bellevue housing funds. Among these priorities are projects that serve populations at risk, and those that preserve existing affordable housing.

- Initiatives:**
1. Implement Council focus on retaining existing affordable housing, and meeting special needs and transitional housing needs.
  2. Expand opportunities to meet the needs of populations at risk, and opportunities for preserving existing affordable housing.
  3. Explore ideas for regulatory reform proposals that may foster development of affordable housing.
  4. Monitor and review the success of meeting the Countywide housing targets on a regional basis, and work through Growth Management Planning Council (GMPC) to receive equitable credit for committed local resources.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$883	\$901	\$1,312	\$1,457	\$1,479	\$1,503
Reserves	2,930	2,957	1,811	1,523	2,171	1,884
Total Budget	\$3,813	\$3,858	\$3,123	\$2,980	\$3,650	\$3,387
FTEs	3.5	4.5	4.6	4.6	4.6	4.6

**Historical Trends**

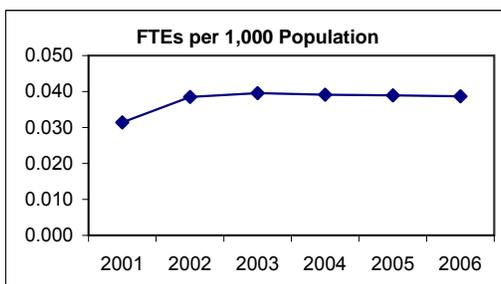


\*Funds accumulate in reserve until projects are selected and funded by ARCH.

\*Consistent with Council direction, funds formerly targeted for the First Time Homebuyer's Program and the Downtown Housing Program have been redirected to the Housing Fund.

\*Reserves decreased in 2003 budget due to spending for ARCH approved affordable Housing project in 2002.

\*The 2003 contribution to the Housing Fund from the General Fund was reduced from \$312,000 to \$156,000 as part of the department's budget reductions. For 2004-2006 the contribution was restored to \$312,000.



\*Added 0.5 FTE Admin Clerk during the 2001-2002 budget.

\*Added 1.0 FTE Housing Planner in 2002.

**1. Desired Program Outcomes:**

- A) Achieve the housing targets established by the Countywide Planning Policies.
- B) Increase the supply of units that meet the needs of populations at risk, including special needs populations and those in need of transitional housing.
- C) Expand opportunities for preserving existing affordable housing.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 2. **Activities - Services provided to achieve outcomes:**

- A) Work with ARCH on a new project prioritization process that results in projects having the potential to meet the City's affordable housing targets.
- B) Actively seek out and facilitate project proposals that meet Bellevue's housing priorities.
- C) Work with Land Use to explore ideas for regulatory reform proposals that may foster development of affordable housing.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Produce 110 new low-income housing units per year	48	25	105	110	110	110	110
B) Meet target for production or preservation of new moderate income units.	24	119	64	78	78	78	78
<u>Efficiency</u>							
A) Leverage use of Housing Fund dollars by at least 1:5 in production or preservation of affordable units	1:10	1:10	1:20	1:50	1:50	1:50	1:50
A) Average City cost (subsidy) per affordable unit produced or preserved	\$15,625	\$40,030	\$10,693	\$17,500	\$17,500	\$17,500	\$17,500
<u>Workload</u>							
A) Total projects funded	2	3	3	4	4	4	4
A) Total affordable units created or preserved	48	144	169	176	176	176	176

### 4. **Program Notes:**

Based on Council direction, the Housing Program channels major City efforts through the regional coalition ARCH, which uses prioritization criteria to review proposals for use of Bellevue's Housing Fund.

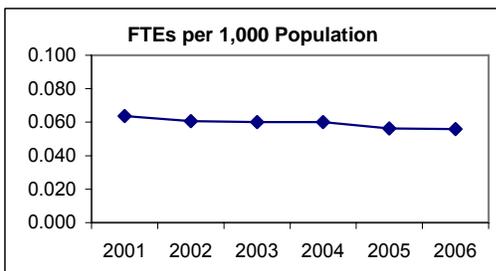
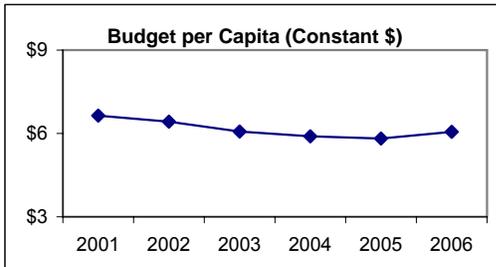
**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

**Program:** Code Compliance

**Description:** This program investigates and resolves violations of City and State codes throughout the community. Staff respond to complaints, aid in problem solving, and work to produce positive and productive results.

- Initiatives:**
1. Develop neighborhood partnership initiatives to include a stronger City role in defining code enforcement priorities.
  2. Continue proactive sign code enforcement activities.
  3. Increase neighborhood code enforcement education and awareness.
  4. Implement Council code enforcement initiatives.
  5. Participate with other departments in the inspection services improvement component of DSI.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$740	\$771	\$742	\$741	\$749	\$803
Reserves	0	0	0	0	0	0
Total Budget	\$740	\$771	\$742	\$741	\$749	\$803
FTEs	7.1	7.1	7.0	7.0	6.6	6.6



**Historical Trends**

\*No material budget changes to this program.

\*Reduced costs in 2003 were due to reducing support costs charged to this program.

\*Staffing levels remained constant. The decline reported is due to a reduction in the number of administration support staff, reducing the allocated FTE's to programs.

**1. Desired Program Outcomes:**

- A) Resolve disputes to gain compliance with City and State codes.
- B) Use the civil violation process when needed to gain compliance.
- C) Increase neighborhood education and understanding of code requirements and enforcement processes.
- D) Provide excellent customer service by being highly responsive and by treating all citizens with fairness and respect.

**2. Activities - Services provided to achieve outcomes:**

- A) Proactively enforce all regulations related to public health and safety.
- B) Use voluntary compliance and the civil violation process to resolve reported violations.
- C) Use alternative dispute resolution techniques and mediation to assist in resolving conflicts without the need for formal enforcement actions.
- D) Develop relationships with Neighborhood Associations to resolve conflicts at the neighborhood level through education and assistance.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Violations resolved through voluntary compliance methods.	98.0%	98.0%	95.0%	95.0%	95.0%	95.0%	95.0%
A) Percent of cases successfully upheld by the Hearing Examiner	99.0%	99.0%	99.0%	95.0%	95.0%	95.0%	95.0%
C) # hours attending neighborhood meetings	50	50	35	30	30	30	30
<u>Efficiency</u>							
A) Percent of cases closed with initial response within target time lines	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
A) Cases per officer	424	414	309	425	425	425	425
A) Cost per case resolved	\$290	\$274	\$406	\$300	\$300	\$300	\$300
<u>Workload</u>							
A) Fair Housing complaints received	1	0	1	5	5	5	5
B) Total Civil Violation hearings held	380	319	342	350	350	350	350
D) Number of complaints received	2,005	2,086	1,555	2,100	2,100	1,500	1,500

### 4. Program Notes:

This program is structured to reflect a philosophy that tailors the enforcement approach to the severity of the problem. Public health and safety issues are responded to immediately and assertively. Voluntary compliance or conciliation is sought for the majority of non-emergency complaints and disputes. A closer association with neighborhood groups will increase code awareness through education.

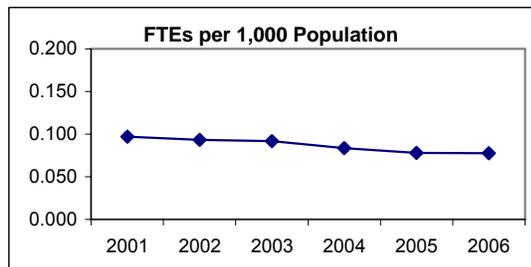
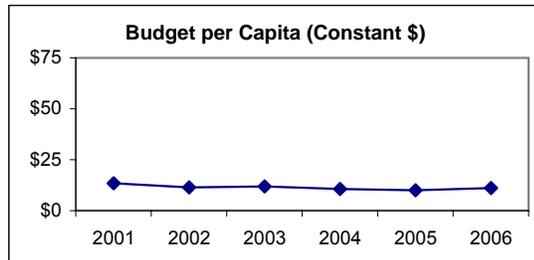
**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

**Program:** Comprehensive Planning

**Description:** To use long-range and strategic planning to assist the Community, City Council, and the Planning Commission in understanding and addressing change. Offer vision and choices for the future by providing such services as: comprehensive plan development and implementation, growth management strategies, regional planning involvement, strategic planning, neighborhood planning, potential annexation area management, survey coordination, and demographics.

- Initiatives:**
1. Continue early implementation of the Downtown Subarea Plan and Downtown Implementation Plan (DIP) to ensure that new public and private developments are consistent with the plans.
  2. Identify a preferred land use and transportation future for the Bel-Red Area that re-focuses the area to become a more strategic element of the city's growth and economic development strategy. This work will be closely coordinated with Sound Transit's Phase 2 High capacity Transit (HCT) planning.
  3. Identify a preferred development concept for the Crossroads Shopping Center and its immediate vicinity to increase its short and long term economic and community vitality.
  4. Complete update of Critical Areas regulations to implement the Critical Areas policies in the updated Comprehensive Plan.
  5. Develop an expanded economic profile of Bellevue to better identify Bellevue's economic trends and strengths and weaknesses that can help target economic development activities.
  6. Prepare strategies and Land Use Code Amendments to implement new policies adopted in the 2004 comprehensive Plan Update addressing Housing affordability and new housing options.
  7. Develop Land Use Code Amendments that help ensure compatibility of infill development in residential areas.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,497	\$1,378	\$1,451	\$1,326	\$1,280	\$1,473
Reserves	0	0	0	0	0	0
Total Budget	\$1,497	\$1,378	\$1,451	\$1,326	\$1,280	\$1,473
FTEs	10.8	10.9	10.7	9.7	9.2	9.2



**Historical Trends**

\*This program works on projects that cross budget years.

\*A savings in costs for eliminating one position eliminated during the 2003 budget was offset by additional project monies added for Crossroads and NE 8th study.

\*The increase in 2006 due to project funding of \$145,000 for the Eastgate Subarea Plan Update.

\*As part of the City-wide budget reduction measures taken for the 2003-2004 budget, the Division eliminated 1.0 FTE Graphic Artist position. The reduction was effective March 2003, but does not show in the budgeted FTE count until 2004.

**1. Desired Program Outcomes:**

- A) Continued citizen involvement in community planning to assure the vitality and responsiveness of the City's vision and policy framework.
- B) Identification and implementation of strategies that proactively maintain a high-quality community and quality neighborhoods in the face of ongoing change.

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT****1. Desired Program Outcomes (continued):**

- C) Increased citizen understanding of the nature of growth in Bellevue and the region, the community's values and relationship to the City's service delivery.
- D) Continued compliance and involvement with implementation of the Growth Management Act to assure effective management of growth.
- E) Improved currency of citywide demographic information to provide the community with the most accurate information.
- F) Effective programs to maintain and enhance the City's economic vitality.

**2. Activities - Services provided to achieve outcomes:**

- A) Monitor and analyze changing community conditions, and develop strategic policy initiatives that help the community anticipate and prepare for change.
- B) Maintain the currency of the Comprehensive Plan, including management of Comprehensive Plan Amendments (CPA) and related Rezones.
- C) Work with residents of the City's Potential Annexation Area (PAA) to proceed with annexation in an effective and timely manner.
- D) Maintain land use, population, and economic data and develop forecasts of future conditions.
- E) Coordinate citywide public survey research.
- F) Support regional planning efforts through the Growth Management Planning Council and other regional land use policy bodies.
- G) Provide effective staff support to the Planning Commission.
- H) Act as City liaison to ARCH to promote the City's affordable housing agenda.
- I) Support the efforts of the Chamber's "Economic Partnership" and other City/business liaison efforts and economic development efforts.

**3. Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Citizen satisfaction with the job City is doing in planning for the future	63%	70%	72%	65%	65%	65%	65%
C) Average age of demographic materials (years)	1.5	0.5	0.5	0.5	0.5	0.5	0.5
E) Annual percent of PAA annexed	95%	95%	95%	98%	98%	97%	99%
A) % of annexation requests successfully completed	100%	100%	100%	100%	100%	100%	100%
<u>Efficiency</u>							
D) Average time between Comprehensive Plan Amendment (CPA) approval and rezone approval / Average time once property owner application is received and rezone is approved	NA	6 mo./ 6mo.	13 mo./ 9mo.	7mo./ 4mo.	7mo./ 4mo.	5mo./ 4mo.	5mo./ 4mo.
<u>Workload</u>							
C) Planning Commission Meetings Conducted	17	22	25	22	22	22	22
D) # of CPAs, rezones processed	6	13	10	7	7	5	5
E) Number of major surveys conducted or managed	10	10	10	10	10	10	10

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

**Program:** Economic Development

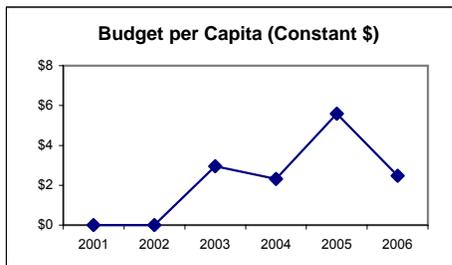
**Description:** This program is designed to attract and retain family-wage jobs for Bellevue. It does this by working to maintain a positive business climate, conducting direct business recruitment efforts, helping solve business problems, and in some cases, intervening to revitalize distressed commercial areas.

**Initiatives:** Bellevue's Economic Development (ED) Action Strategies focus on six key areas:

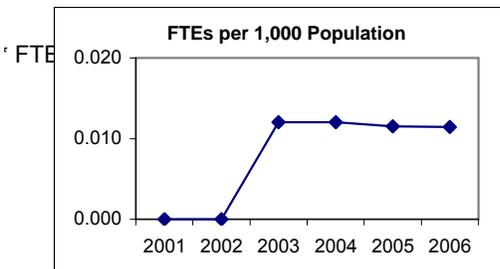
1. Economic Climate
2. Community Livability
3. Planning and Infrastructure
4. Commercial Area Revitalization
5. Business Marketing, Retention and Recruitment
6. City Development Strategies (using incentives to promote specific ED projects).

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$0	\$0	\$362	\$291	\$719	\$328
Reserves	0	0	0	0	0	0
Total Budget	\$0	\$0	\$362	\$291	\$719	\$328
FTEs	0.0	0.0	1.4	1.4	1.4	1.4

**Historical Trends**



\*Until 2003-2004, these program costs were budgeted in the combined Community and Economic Development Program.  
 \*Program was increased by a \$320,000 investment in 2003-2004.  
 \*Additional adds for 2003 include funding for: a) NE 8th Gateway revitalization, b) small business assistance, and 3) a GIS browser marketing tool.  
 \*Starting in 2003, the Department will continue participation in the Bellevue Economic Partnership (BEP) and Economic Development Council (EDC).  
 \*The 2005-2006 budget includes the additional funding for the Urban Corridor Design/HCT Study.



udget investment.

**1. Desired Program Outcomes:**

- Creation and retention of family-wage jobs for Bellevue.
- Maintenance of a good local business climate.
- Vital commercial areas that contribute to the community's quality of life.

**2. Activities - Services provided to achieve outcomes:**

- Conduct the business ombudsman program to assist in problem-solving for local businesses.
- Support City/business liaison efforts like the Bellevue Economic Partnership.
- Provide technical assistance and information to assist business in Bellevue.
- Recruit new businesses to Bellevue by providing information and support.
- Conduct targeted planning efforts to assist in revitalizing commercial areas.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
C) Percent of businesses served that show an increase in total gross income the year following service	NA	NA	NA	NA	80%	80	80
A) # of website visits to the GIS website	NA	NA	NA	80/mo.	100/mo.	100	100
<u>Efficiency</u>							
A) # of business "buddies" enlisted to mentor new clients	NA	NA	8	10	15	15	15
B) # of student intern teams placed with local businesses	NA	NA	12	6	8	8	8
<u>Workload</u>							
B) # of ombudsman inquiries processed	NA	NA	85	50	50	50	50
B) # recruitment inquiries processed	NA	NA	35	30	30	30	30
B) # of businesses attending the Economic Development Outreach programs	NA	NA	140	120	120	120	120

### 4. Program Notes:

Prior to 2003-2004 Budget, the Economic Development program costs and FTE's were included with the combined Community and Economic Development program.

**V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT**

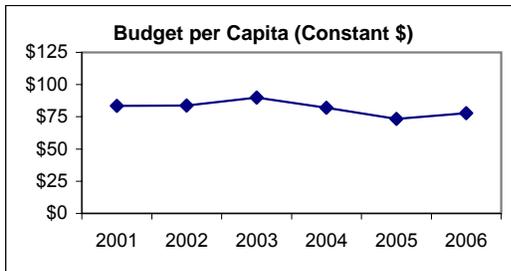
**Program:** Community Development

**Description:** The Community Development program builds capital projects to accomplish the City's vision, and supports the arts through commissioning capital art projects, assisting local art organizations, and funding arts programs. Capital projects in this program often require integrated efforts of multiple departments, involving public and private partnerships.

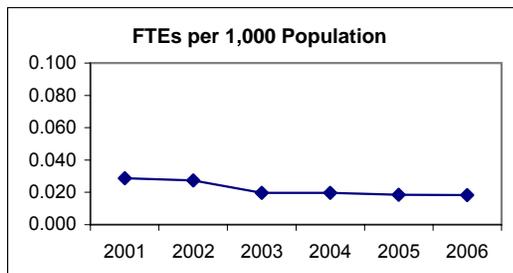
- Initiatives:**
1. Begin implementation of Gateway & Neighborhood identity capital projects.
  2. Work with public/private partnerships to expand the Meydenbauer Center.
  3. Begin implementation of Marinas to Downtown linkage.
  4. Enhance and strengthen the City's Arts Program, engaging the community in a review of the program's direction, expand the Bellevue Sculpture Exhibition, and complete current projects associated with the City's Transportation improvements.
  5. Develop a basic kit of parts to be used for identity programs for neighborhoods.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$9,158	\$9,923	\$9,752	\$8,982	\$8,579	\$9,423
Reserves	144	136	1,250	1,307	875	886
Total Budget	\$9,302	\$10,059	\$11,002	\$10,289	\$9,454	\$10,309
FTEs	3.2	3.2	2.3	2.3	2.2	2.2

**Historical Trends**



\*Budget per capita varies with infusions of CIP funds for specific projects and cycles of project completions.  
 \*Budget increases for 2002 reflect the addition of the Marina to Downtown linkage project and the Bellevue Art Museum's operating Endowment Fund.  
 \*Budget increases for 2003 due to the \$1.1 million project costs for the Meydenbauer Marina to Downtown Link.  
 \* the 2006 Budget increase reflects the 1st payment on the BCCA debt service, \$766,000.



\*Staffing levels remained constant, the decline reported is due to a reduction in the number of administration support staff, reducing the allocated FTEs to programs.

**1. Desired Program Outcomes:**

- A) Completion of projects which create public spaces, public buildings, and civic places in Bellevue.
- B) Strengthen art organizations, arts awareness, and arts programs in Bellevue.
- C) Demonstrate success in partnership and interdepartmental coordination to achieve civic goals and projects.
- D) Involve citizens, business people, and professionals in decisions which shape civic projects or select public art.

## V. PROGRAM OVERVIEW - PLANNING AND COMMUNITY DEVELOPMENT

### 2. **Activities - Services provided to achieve outcomes:**

- A) Identify and develop partnerships with citizen groups, and business organizations, encouraging their involvement in the planning and design concept phases of capital projects for civic places.
- B) Organize workshops to establish broad community involvement in the planning and design effort.
- C) Coordinate the development of, and oversee the construction of, civic capital projects.
- D) Provide staff support for the Arts Commission.
- E) Planning for and commissioning temporary and permanent art works placed in public spaces, as components of civic construction.
- F) Provide small grants and technical assistance to local arts groups.
- G) Develop and recommend cultural policies and conduct long-term cultural planning for the City.
- H) Develop a plan to identify future Community Development projects in the CIP which will stimulate the economy and achieve City goals.
- I) Coordinate with regional partners to strengthen and increase resources for local arts.
- J) Provide public information and outreach to increase public input and involvement.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Increase in number and distribution of permanent public art works	11	5	3	3	5	5	5
B) Number of art organizations assisted	33	36	30	30	30	30	30
C) Number of projects involving partnerships or joint funding	20	20	15	15	15	15	15
F) Number of people involved in public processes for projects	580	751	816	600	600	600	600
A) Percent of CIP projects completed within CIP budget estimate	0%	100%	90%	90%	90%	90%	90%
A) Percent of CIP projects completed on schedule versus total planned completions	0%	80%	90%	90%	90%	90%	90%
<u>Efficiency</u>							
A) Number of contracts per FTE	30	81	22	20	20	20	20
<u>Workload</u>							
All Public information events and products accomplished	40	NA	62	60	200	200	200
B) Number of Arts Commission meetings staffed	20	49	85	18	18	18	18
E) Number of contracts managed	30	81	43	30	50	50	50
C) Total contract dollars managed products accomplished	\$455,000	\$300,000	\$722,000	\$500,000	\$300,000	\$730,000	\$730,000
C) Total contract dollars managed (in millions)	\$0.46	\$0.30	\$0.72	\$0.50	\$0.73	\$0.73	\$0.73

### 4. **Program Notes:**

Included in the budget amounts are the \$6-\$7 million per year double-budgeting adjustment for the department. This adjustment was not included in the department's budget prior to 2003-2004. For consistent reporting, all prior years were restated to include this budget entry. For a definition of Double Budgeting refer to the "Reader's Guide" section of this document.

Prior to 2003, the Community Development and Economic Development programs were reported as a single program. Since the 2003-2004 Budget, the program has been split into two separate programs (Community Development and Economic Development).

## VI. 2005-2006 CIP PLAN PROJECTS - PLANNING & COMMUNITY DEVELOPMENT

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### COMMUNITY DEVELOPMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
CD-2	Community Development Planning	O	\$160	\$810
CD-5	Metro Site Acquisition	AB	1,015	10,634
CD-11	Public Art Program	O	800	4,750
CD-17	Gateways and Neighborhood Identity	AB	344	394
CD-19	Early Implementation of Downtown Plan	AB	550	600
CD-21	Eastgate Subarea Plan	N	145	145
TOTAL COMMUNITY DEVELOPMENT			\$3,014	\$17,333

### ECONOMIC DEVELOPMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
ED-2	Downtown Parking Initiative	AB	\$354	\$387
* ED-5	Urban Corridor Design/High Capacity Transit	N	600	600
TOTAL ECONOMIC DEVELOPMENT			\$954	\$987

**Project Status Key:**

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

\* This project is the joint responsibility of Transportation and Planning & Community Development. Allocations may differ based upon actual project implementation.

## VI. 2005-2006 CIP PLAN PROJECTS - PLANNING & COMMUNITY DEVELOPMENT

### NEIGHBORHOOD INVESTMENT STRATEGY

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
* NIS-2	NIS Future Areas	N	\$500	\$1,750
TOTAL NEIGHBORHOOD INVESTMENT STRATEGY			\$500	\$1,750

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

\* This project is managed by the Planning & Community Development Department. The project budget will be allocated based upon specific project selections.

## PLANNING & COMMUNITY DEVELOPMENT

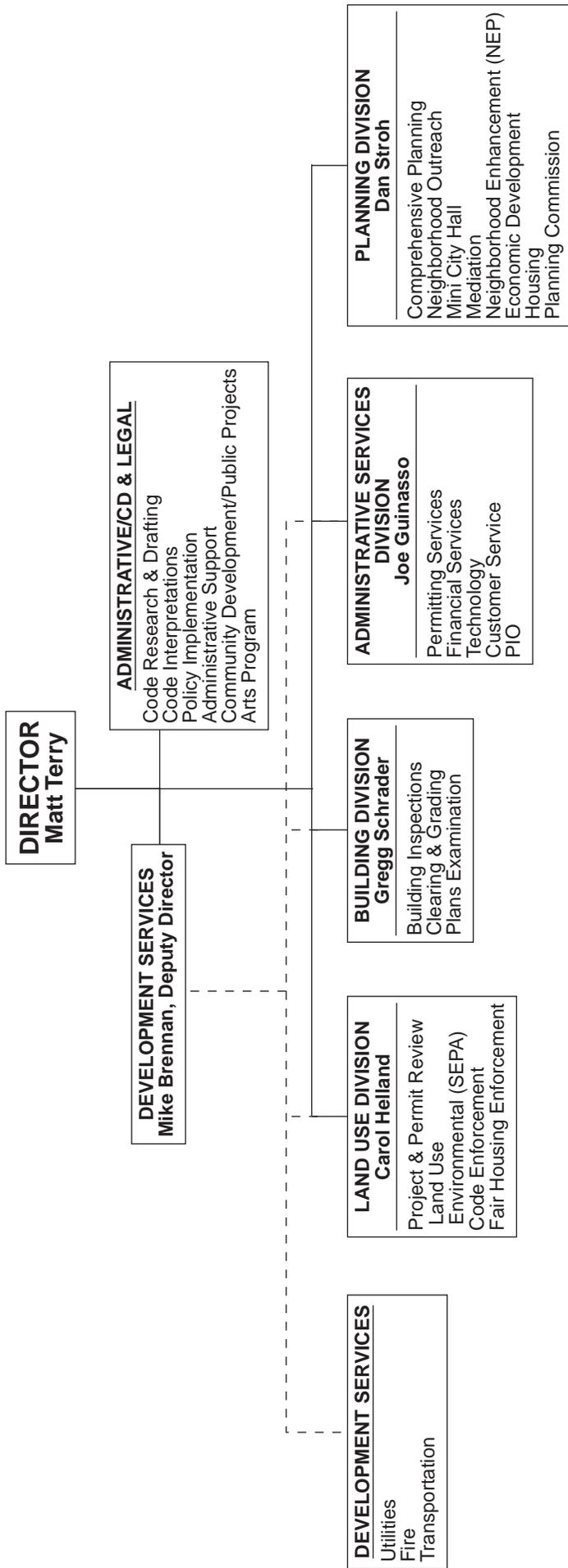
### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	2003-2004 Budget	2005-2006 Budget	\$ Change	% Change
Beginning Fund Balance	\$10,429	\$7,836	(\$2,593)	(24.9%)
Restricted Revenues:				
Other Taxes	200	200	0	0.0%
Licenses/Permits	6,332	8,801	2,469	39.0%
Grants	22	1,000	978	4445.5%
Charges for Services	5,821	9,093	3,272	56.2%
Fines and Forfeits	120	100	(20)	(16.7%)
Miscellaneous Revenue	491	468	(23)	(4.7%)
Operating Transfers	12,878	13,121	243	1.9%
Unrestricted Revenues	<u>17,709</u>	<u>18,131</u>	<u>422</u>	<u>2.4%</u>
Total Revenues	43,573	50,914	7,341	16.8%
<b>Total Resources</b>	<b><u>\$54,002</u></b>	<b><u>\$58,750</u></b>	<b><u>\$4,748</u></b>	<b><u>8.8%</u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$11,888	\$11,857	(\$31)	(.3%)
Development Services Fund	26,714	31,154	4,440	16.6%
Special, Non-Operating Funds:				
Operating Grants & Donations	22	0	(22)	(100.0%)
Housing Fund	2,096	2,127	31	1.5%
Debt Service Regular	1,068	1,791	723	67.8%
Capital Investment:				
General CIP Fund	<u>4,378</u>	<u>4,468</u>	<u>90</u>	<u>2.1%</u>
Subtotal Expenditures	46,166	51,397	5,231	11.3%
Ending Fund Balance	<u>7,836</u>	<u>7,353</u>	<u>(483)</u>	<u>(6.2%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$54,002</u></b>	<b><u>\$58,750</u></b>	<b><u>\$4,748</u></b>	<b><u>8.8%</u></b>

# CITY OF BELLEVUE

## PLANNING & COMMUNITY DEVELOPMENT



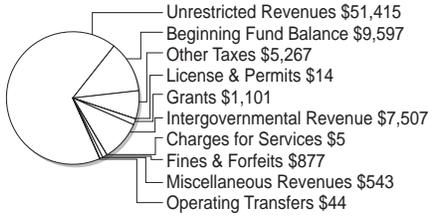
# POLICE

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

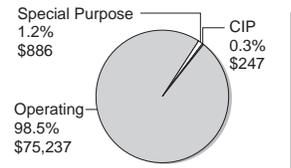


### Budget Data

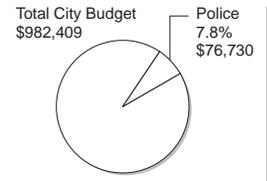
\$000

<b>2005-2006 Budget</b>	<b>\$76,370</b>
<b>Change from 2003-2004:</b>	<b>(\$1,189)</b>
<b>Change per Capita:</b>	<b>(2.4%)</b>
<b>2005 FTEs:</b>	<b>270.0</b>
<b>2006 FTEs:</b>	<b>266.8</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(1.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>(3.2)</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(1.0%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(1.8%)</b>

### Summary by Budget Type

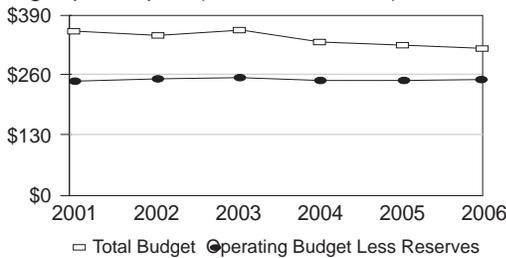


### Percent of Total Budget



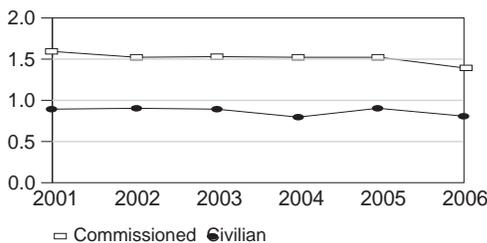
### Historical Trends

Budget per capita (constant dollars)



- The total budget per capita graph shows a gradual decline over the six-year period between 2001 and 2006. Factors contributing to this 2% average annual decline include the reduced need for LEOFF I Medical Reserve contributions, the further reduction in Police CIP project allocations, and stable inflationary adjustments to operating budgets for personnel, and maintenance and operating expenses.
- The Operating Budget Less Reserves trend shows a relatively stable, inflationary adjustment to Police budgets. There have been selected staff reductions in programs, partially offset by minimal staff increases to programs where the expenses have been offset by new or increased revenues.

FTEs per 1,000 population



- The Commissioned FTEs per 1,000 population graph continues to show a very gradual decline from 1.6 to 1.4 FTEs over the six-year period between 2001 and 2006. Authorized commissioned officer allocations have gradually been reduced while City population growth has increased. Temporary commissioned FTEs increases were rescinded; and a single FTE was permanently eliminated in 2005 as a result of a City-wide staffing reduction commitment.
- The Civilian FTEs per 1,000 population shows a very modest decline, from 0.9 to 0.8 civilian staff over the same six-year period. Additional dispatchers for increased call functions have been offset by reductions in clerical positions due to City-wide reorganizations. This difference, combined with the increase in the City's population over the six years, has resulted in the slight decrease in civilian FTEs per capita.

### Significant Budget Issues

- The Department is actively researching the potential long-term impacts of the planned growth in Bellevue's central business district and other Eastside business corridors, which could result in unprecedented growth in "vertical" neighborhoods (urban condominiums and apartments). How to be prepared to adequately police these new neighborhoods will be a challenge for the Department in the coming years. There are likely to be subtle yet measurable increases in calls, responses, and resources allocated, wholly dependent on the rate of growth in these vertical neighborhoods, their rate of occupancy, and the crimes reported in these sectors.
- The Department will continue its implementation plan for the Wireless Mobile Data Communications System and its integration with the remaining components of its Records Management System. Both projects were scheduled to be completed in 2004 and have experienced technological challenges. The current completion date is projected to be mid to late 2005.

## II. **MISSION & GOALS**

Mission Statement:

Providing a safe environment through community involvement and innovation.

Goals:

1. The Bellevue Police Department values the maintenance, development, and recruitment of a quality, diverse workforce.
2. Evaluate, prioritize, and redirect management priorities from projects to personnel, through mentoring, training, and communication.
3. Improve the Bellevue Police Department's prioritization process by aligning priorities with the department's vision statement.
4. Continue to effectively evaluate and manage growth and change.
5. Maintain and enhance a high level of community support, by seeking honest and effective feedback from the community, encouraging mutual community and police problem solving, educating the community on how the department operates, and being sensitive to changing ethnic demographics.
6. Ensure and enhance a continual long-range budget plan that includes community and internal priorities.
7. Implement technology that is effective and supports police operations.

## III. **2003-2004 WORK ACCOMPLISHMENTS**

*Initiatives Completed:*

1. Continue to plan for and employ up-to-date technology, including implementation of mobile data computers (MDC).
  - Deployment of the MDC wireless system is nearly completed. While conditional testing is not yet complete, over fifty mobile data computers are scheduled to be installed before the end of 2004.
2. Continue working with CALEA for Department-wide accreditation and with APCO/CALEA for Communication Center accreditation.
  - The department-wide accreditation effort is nearly concluded, with the on-site final assessment scheduled for December 11-15. Mock assessment interviews took place in September and will take place again in October. A successful outcome for both the Communication Center and for the Police Department is expected at the conclusion of the on-site assessment.

3. Implement a new downtown neighborhood station in cooperation with Sound Transit.
  - This did not take place in 2004 as planned. Further discussion is underway and the station is expected to be completed and staffed in 2005.
4. Implement a plan in cooperation with Transportation to provide coordinated flagging efforts on transportation construction projects. This new program started in September, 2002.
  - This plan has been working successfully for two years. Police has assigned a lieutenant in Traffic who coordinates all flagging requirements jointly with the Transportation Department. While transportation projects are projected to reduce in volume in 2005/2006, this program will continue because of the many benefits that accrue from it.
5. Continue to manage jail contracts and placement of prisoners to assure we are housing prisoners at the lowest cost jail facility.
  - The Care & Custody unit maintains a close eye on the movement and placement of prisoners among the four jail facilities—Renton, King County, Issaquah, and Yakima.
6. Continue to evaluate how Bellevue Police can best be prepared to respond to threats of domestic terrorism.
  - Grant awards from federal funding agencies have made riot control and bomb squad training possible, and the delivery of a new Bomb Squad Emergency Response Vehicle is expected in early 2005. If additional federal funds are made available, a request for a new SWAT vehicle is possible.
7. Continue to work with the City Council to acquire a new Police facility which will include a new Communication Center.
  - Renovation of the old Qwest building has begun, and it is expected to be completed in November 2005. The Communication Center will occupy an expansive area on the seventh floor of the New City Hall building, located at the intersection of NE 4<sup>th</sup> and NE 110<sup>th</sup> streets in Bellevue.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

1. Use existing technologies and communication channels to take more opportunities to educate Bellevue citizens, the business community, and other agencies on the successful achievements of the Department in areas of public safety, reductions in crime, and community participation.
2. Establish an Office of Professional Standards to address both internal and citizen complaints and ensure continued national accreditation.
3. Draft a comprehensive policing policy for the downtown sector, especially with regard to “vertical policing”, i.e. high-rise residential units that are being built in the downtown core.
4. Explore the possibility of equipping patrol officers with defibrillators.

5. Implement a new program for burglar alarm administration, including a new ordinance that includes annual registration fees, an accelerated false alarm fee schedule, and provisions for other fees, with the intention of reducing the number of false alarms throughout the City of Bellevue.
6. Continue to explore funding sources for necessary technology, equipment, and training to meet the challenges faced by the Police Department in the coming years.

**V. PROGRAM OVERVIEW - POLICE**

**Program:** Patrol

**Description:** This program is designed to maximize public protection by providing timely response to calls for assistance and active, visible patrol of the City. Patrol uses tactics that are designed to enhance the quantity and quality of community contacts which will increase community security and safety.

- Initiatives:**
1. Continue community-oriented patrol tactics that enhance the quality and quantity of police contacts with citizens as well as identify and solve community problems that contribute to the lessening of community security and safety.
  2. Continue to recruit, hire, and develop top quality personnel at all levels who demonstrate potential in the community-oriented policy philosophy.
  3. Continue to manage jail contracts to assure we are housing prisoners in the lowest cost jail facility.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$11,864	\$13,015	\$13,257	\$13,363	\$13,555	\$13,631
Reserves	5,347	5,462	4,017	3,961	3,828	3,617
Total Budget	\$17,210	\$18,477	\$17,274	\$17,324	\$17,382	\$17,248
Commissioned FTEs	95.3	91.2	94.7	93.8	92.0	92.0
Civilian FTEs	19.0	21.2	19.1	17.9	18.7	17.4
Total FTEs	114.3	112.4	113.8	111.7	110.7	109.4

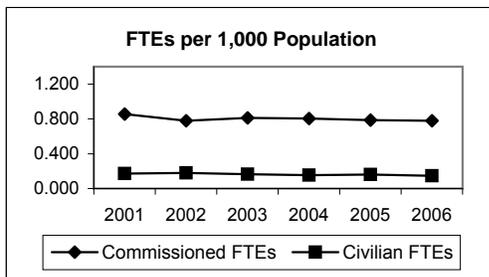
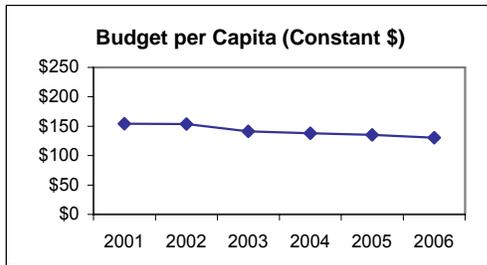
**Historical Trends**

\*The 2002 increase reflects an increase in LEOFF I and capital replacement reserves contributions, and funding for the Identification Lab Improvements CIP project.

\*The 2003 decrease reflects reduced LEOFF I contributions, and the impact of a department wide shift in program allocations.

\*The decrease in 2005 commissioned FTE's is due to the expiration of two temporary employees backfilling for officers at the Washington State Training Academy.

\*The 2006 decrease in civilian FTE reflects a citywide reduction in staff.



**1. Desired Program Outcomes:**

- A) Have at least 88% of the respondents to the Police Department annual phone survey rate police response calls for service as good or excellent by 2005.
- B) Maintain the annual total Part One Crimes per 1,000 population at 5% below the State of Washington average.

## V. PROGRAM OVERVIEW - POLICE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Patrol city according to beat plan for deterrent and rapid response purposes and for citizens perceptions of safety.
- B) Provide initial response and investigation to all calls for service.
- C) Reduce crime and calls for service by the use of crime prevention and problem-oriented policing strategies.
- D) Achieve citizen assistance and support through community-based policing concepts.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Patrol response time to critical emergencies	3.1 Min	3.4 Min	3.3Min	4.2 Min	4.2 Min	3.5 Min	3.5 Min
A) Total number of citizen complaints (Department total)	30	10	21	25	25	150	150
A) Customer satisfaction indicating good or excellent (survey results)	82%	91%	85%	88%	88%	88%	88%
B) Part One crimes committed per 1,000 population (WASPC standards)	41.2	40.0	39.0	44.0	44.0	40.0	40.0
C) Percentage of citizens who feel safe or moderately safe (survey results)	90.0%	95.0%	93.0%	90.0%	90.0%	90.0%	90.0%
C) Number of assault cases (felony and misdemeanor)	904	606	839	850	850	800	800
All Number of substantiated Internal Investigation complaints of police misconduct (Department total)	14	6	29	13	13	25	23
<u>Efficiency</u>							
A) Number of crime reports per patrol officer	172	155	187	195	195	150	155
<u>Workload</u>							
A) Number of crime reports taken by Patrol	11,167	10,244	10,244	12,000	12,000	11,500	11,500
B) Number of misdemeanor arrests by Patrol	1,919	2,058	2,058	2,000	2,000	1,900	1,900
B) Number of felony arrests by Patrol	506	554	554	550	550	560	560
B) Number of warrant arrests by Patrol	960	707	707	1,000	1,000	700	700
B) Number of Field Interview Reports by Patrol	3,675	2,997	2,025	3,500	3,500	2,500	2,500
B) Total number of calls dispatched (Department total)	88,613	65,109	65,322	85,000	85,000	80,000	80,000

### 4. **Program Notes:**

Bellevue is a safe city with overall crime decreasing gradually. Vehicle crimes, such as theft, prowls and car strips, while lower than Washington State crime rates, have increased. There is a favorable positive trend of customer satisfaction. Response times are operationally satisfactory, balancing positive aspects of community-oriented policing with the drive for quick response. We expect, however, both citizen complaints and internal investigations to increase dramatically due to new standards of reporting brought about by the new Office of Professional Standards that will track, investigate, and help to resolve all complaints.

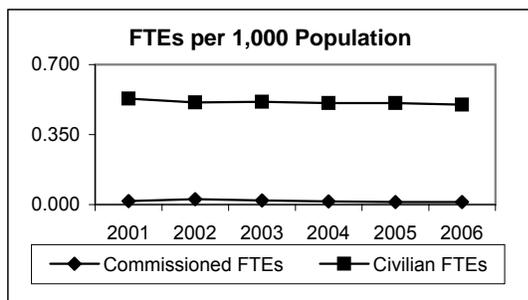
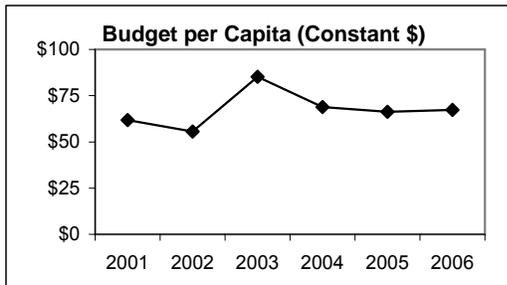
**V. PROGRAM OVERVIEW - POLICE**

**Program:** Communications

**Description:** This is a regional 911 Communications Center, serving two police agencies, 13 fire departments, and one hospital medic program with a citizen population of approximately 640,000 in a 1,200 square mile area. It is the mission of the Center to receive calls for service and dispatch the necessary emergency response. The Center is committed to continually seek and find ways to affirmatively promote, preserve, and deliver a feeling of security, safety, and quality services to members of our community.

- Initiatives:**
1. Continue to plan for and employ up-to-date technology. Installation and implementation of mobile data computers (MDC) is expected to continue through second quarter 2005.
  2. Seek ways to further regionalize Eastside 911 Center.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$6,673	\$6,553	\$8,371	\$6,641	\$6,580	\$7,065
Reserves	208	123	2,042	2,013	1,942	1,841
<b>Total Budget</b>	<b>\$6,881</b>	<b>\$6,676</b>	<b>\$10,412</b>	<b>\$8,653</b>	<b>\$8,522</b>	<b>\$8,906</b>
Commissioned FTEs	1.9	3.2	2.4	1.9	1.5	1.5
Civilian FTEs	59.0	59.8	59.8	59.2	59.6	58.9
<b>Total FTEs</b>	<b>60.9</b>	<b>62.9</b>	<b>62.2</b>	<b>61.1</b>	<b>61.1</b>	<b>60.4</b>



**Historical Trends**

\*The 2002 decrease reflects the reduction in funding for the Computer Aided Dispatch (CAD) and Mobile Data Computer (MDC) CIP projects.

\*The 2003 increase reflects the increased funding of the Mobile Data Computer (MDC) CIP project and the impact of a department wide shift in program allocations.

\*The 2002 increase in civilian FTEs reflects the addition of Call Takers to meet call answering standards.

\*The 2005 reduction in commissioned FTE reflects a shift in program allocations.

**1. Desired Program Outcomes:**

- A) Reduce the number of 911 hang-up calls by 5% in 2004 compared to 2003 and an additional 5% in 2005 compared to 2004.
- B) For 2005 and 2006, maintain a 1:00 minute or less call elapsed time (from "received to dispatched") for fire emergency calls. For Police priority 1 calls, reduce the elapsed time to 1:30 in 2005 and 2006. For Police priority 2 calls, reduce the elapsed time in 2005 and 2006 to 2:00.
- C) Maintain 90% satisfaction rating of "good or excellent" by contract customers in 2005 and 2006.

## V. PROGRAM OVERVIEW - POLICE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Accurately answer incoming emergency calls.
- B) Effectively relay calls for service information to appropriate jurisdictions.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Number of 911 hang up calls	706	1,019	1,037	1,000	1,000	1,000	1,000
B) Call elapsed time, received to dispatch time: FIRE CALLS							
Priority 1	0:56	0:52	0:52	1:00	1:00	0:50	0:50
Priority 2	1:33	1:17	1:06	1:10	1:05	1:00	1:00
B) Number of citizen inquiries regarding call handling	5	6	5	2	2	2	2
B) Calls answered by call receivers within 10 seconds	96%	95%	96%	98%	98%	99%	99%
B) Call elapsed time, received to dispatch time: POLICE CALLS							
Priority 1	2:44	2:11	2:17	2:00	1:30	1:30	1:30
Priority 2	2:41	1:58	2:26	2:30	2:00	2:00	2:00
C) Satisfaction rating with services provided to contract agencies	NA	90%	90%	80%	80%	90%	90%
C) Number of inquiries from contract agencies	114	23	28	20	20	20	20
<u>Efficiency</u>							
A) Cost per dispatch	\$31.66	\$30.99	\$34.51	\$29.30	\$29.30	\$29.30	\$29.30
B) Number of calls answered per staffed telephone position	2,420	2,116	1,968	2,300	2,400	2,400	2,400
<u>Workload</u>							
B) Dispatched events (Police & Fire)	151,587	160,958	167,016	161,000	172,000	172,000	172,000
C) Number of customer contacts	354,191	350,139	397,882	417,900	438,795	460,735	483,771
C) Time to review inquiries from contract agencies and citizens	400 Hrs	250 Hrs	250 Hrs	150 Hrs	150 Hrs	150 Hrs	150 Hrs
C) Total number of calls answered	247,027	296,657	276,190	259,000	272,000	272,000	272,000

### 4. **Program Notes:**

Increases in the number of hang-up calls was predicted in a recent staffing and workload study of the Communications Center and it has been proven by recent statistics. Increased hang ups are also occurring because of a new way CAD counts them. The appearance that response times have increased is due to a change in the starting point for how the time is tracked.

**V. PROGRAM OVERVIEW - POLICE**

**Program:** Investigations

**Description:** This program provides investigation and timely resolution of reported incidents that require long-term and/or community-sensitive attention. This program is implemented through the specialized units of Violent Crimes, Property Crimes, Fraud and Organized Crime, Special Investigations (Eastside Narcotics Task Force), and Crime Analysis.

**Initiatives:** Continue to maximize resources with respect to criminal investigations in order to maintain a Part One Violent/Property Crime clearance rate that exceeds both the State and National averages.

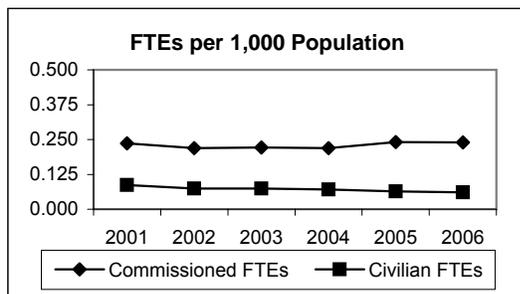
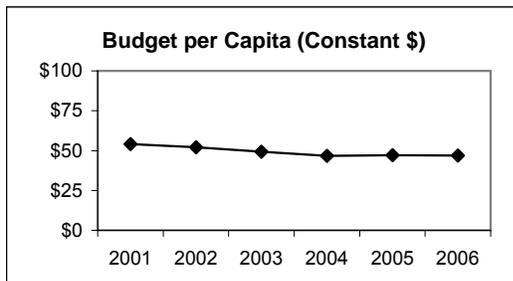
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$4,224	\$4,476	\$4,586	\$4,505	\$4,688	\$4,911
Reserves	1,809	1,766	1,441	1,363	1,374	1,292
<b>Total Budget</b>	<b>\$6,033</b>	<b>\$6,242</b>	<b>\$6,027</b>	<b>\$5,868</b>	<b>\$6,062</b>	<b>\$6,203</b>
Commissioned FTEs	26.3	25.6	25.8	25.49	28.2	28.2
Civilian FTEs	9.6	8.6	8.6	8.24	7.5	7.1
<b>Total FTEs</b>	<b>36.0</b>	<b>34.3</b>	<b>34.4</b>	<b>33.7</b>	<b>35.7</b>	<b>35.3</b>

**Historical Trends**

\*The 2003 decrease reflects a reduction in the LEOFF I contribution and the impact of a department wide shift in program allocations.

\*The decrease in 2004 reflects the expiration of several grant programs, including Law and Narcotic Enforcement grants.

\*The 2005 and 2006 increase reflects the transfer of 2.5 FTE's from Police Patrol.



**1. Desired Program Outcomes:**

- A) Increase the percentage of recovered stolen property by 2% in 2005 compared to 2004 and an additional 1% in 2006 compared to 2005.
- B) Increase the value of narcotics seized by 3% in 2005 compared to 2004 and an additional 3% in 2006 compared to 2005.
- C) Maintain annually a 5% higher total Part One crimes cleared than the yearly Washington State average.
- D) Maintain the percentage of cases (where the suspect is identified) as compared with number of cases assigned at 63% in 2005 and in 2006.

## V. PROGRAM OVERVIEW - POLICE

### 2. **Activities - Services provided to achieve outcomes:**

- A) Reduce crime in Bellevue, convict criminals, and recover property.
- B) Provide safety and security for the citizens of this community.
- C) Investigate crimes against persons, fraud and organized crime, property crimes and narcotics, vice and gambling.
- D) Analyze criminal movements, methods, patterns and trends; investigate and track sexual predators living in Bellevue.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Property recovered as a percentage of property stolen measured by value	39%	46%	44%	42%	43%	45%	46%
A) Value of property recovered from pawn shops (\$000)	\$14	\$29	\$40	\$18	\$22	\$40	\$40
A) Percentage of cases where property is recovered by detectives	32%	31%	38%	33%	34%	35%	36%
B) Value of Narcotics seized (millions)	\$2.7	\$2.1	\$2.6	\$2.8	\$3.0	\$3.0	\$3.0
B) Value of assets seized by Narcotics Unit (\$000)	\$589	\$227	\$684	\$750	\$900	\$700	\$750
C) Percentage of AFIS entries resulting in AFIS identifications	23%	25%	22%	30%	30%	25%	27%
C) Percentage of Total Part I crimes cleared	24%	22%	20%	26%	28%	24%	26%
C) Percentage of Part I violent crimes cleared	56%	69%	77%	60%	60%	70%	75%
C) Percentage of Part I property crimes cleared	20%	18%	17%	25%	25%	20%	20%
D) Percentage of cases, where the suspect was identified that are cleared, as compared with the number of cases assigned	62%	62%	65%	63%	63%	62%	63%
D) Number of assigned cases closed by arrest by Detectives	271	224	214	275	275	200	200
<u>Efficiency</u>							
C) Cost per investigation not including Narcotics	\$660	\$680	\$695	\$675	\$700	\$700	\$700
C) Cost per Part I crime cleared	\$17,446	\$18,446	\$18,622	\$18,500	\$19,000	\$19,000	\$19,250
D) Caseloads per Detective assigned to investigate crime (not including Narcotics)	93	99	94	95	95	100	100

## V. PROGRAM OVERVIEW - POLICE

### 3. Performance Measures (continued):

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Workload</u>							
A) Number of cases with finger-print evidence processed by AFIS	341	397	351	400	400	370	375
A) Number of hours required searching pawn shop records	175	479	620	200	220	550	550
A) Number of property crimes where items were stolen	4,975	4,537	4,375	5,000	4,800	4,500	4,700
B) Number of narcotic enforcement actions	146	260	338	220	250	350	350
C) Number of Part I violent crimes	162	140	163	140	140	140	140
C) Number of Part I property crimes	4,540	4,537	4,375	4,600	4,500	4,200	4,300

### 4. Program Notes

Part I violent crimes are murder, rape, robbery, and aggravated assault. Part I property crimes are theft, auto theft, burglary, and arson. The percentage of Part 1 violent crimes cleared remained very high at 77% in 2003, with only 163 violent crimes reported. The number of Part 1 property crimes of 4,375 was below the target number of 4,600. The Investigations Section expanded its lab and forensics facility in the past two years, and looks forward to even better facilities when the department moves to the New City Hall building in late 2005.

**V. PROGRAM OVERVIEW - POLICE**

**Program:** Traffic Accident Investigation and Enforcement

**Description:** The Traffic Unit has the primary role of ensuring, as much as possible, the safe and efficient flow of vehicular and pedestrian traffic throughout the City. The Unit is responsible for providing traffic services to the community, with the primary purpose of reducing the number of motor vehicle accidents as well as protecting the livability of our neighborhoods through traffic enforcement. This involves educating the public about traffic laws as well as good driving habits. It also involves the active and appropriate enforcement of traffic laws, conducting high-quality accident investigations and interacting with the Courts, traffic engineers, and other organizations involved in the pursuit of traffic safety.

- Initiatives:**
1. Continue to focus the traffic program on neighborhood traffic safety to include enforcement, traffic engineering and community involvement, including the additional Neighborhood Action Team authorized by Council.
  2. Implement a plan in cooperation with the Transportation Department to provide coordinated flagging efforts on transportation construction projects.

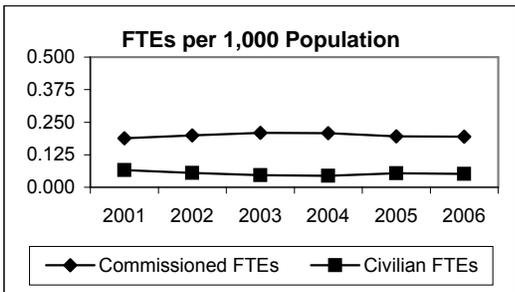
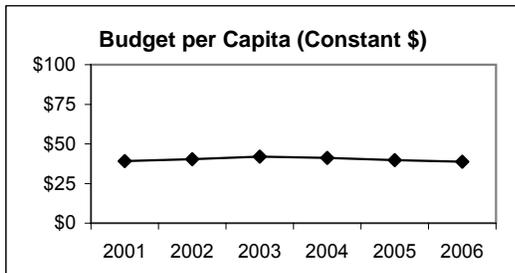
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$3,173	\$3,630	\$4,151	\$4,185	\$4,192	\$4,252
Reserves	1,201	1,227	987	973	939	890
Total Budget	\$4,374	\$4,857	\$5,138	\$5,158	\$5,131	\$5,143
Commissioned FTEs	21.0	23.3	24.4	24.16	23.0	23.0
Civilian FTEs	7.4	6.4	5.4	5.13	6.3	6.0
Total FTEs	28.5	0.0	29.8	29.30	29.3	29.0

**Historical Trends**

\*The 2002 increases reflect the addition of Motor Officers and the approval of an In-car Video pilot program.

\*The 2003 increase reflects the increased funding of the Mobile Data Computer (MDC) CIP project and the impact of a department wide shift in program allocations.

\*The 2002 increase in FTEs reflects the addition of Motor Officers for a Neighborhood Action Team and the West Lake Sammamish annexation.



## V. PROGRAM OVERVIEW - POLICE

### 1. Desired Program Outcomes:

- A) Maintain an annual total motor vehicle accidents per 1,000 population at 10% below State of Washington averages.
- B) Maintain an annual total persons injured in motor vehicle accidents per 1,000 population at 10% below State of Washington averages.
- C) Maintain seatbelt usage in the City at 95% in 2005 and 2006.
- D) Hold annual DUI fatality accidents to zero.
- E) Improve evidence and increase conviction rates for hazardous traffic violations and DUI through use of in-car audio/video systems.

### 2. Activities - Services provided to achieve outcomes:

- A) Respond to reports of motor vehicle accidents and provide aid and investigative services.
- B) Assist motorists as required in the field.
- C) Reduce accidents through enforcement of traffic laws.
- D) Investigate and provide assistance on traffic-related service requests.
- E) Provide traffic control at special events.
- F) Provide management and enforcement of parking-related issues throughout the City.

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) Total investigated accidents per 1,000 population	16.2	15.8	16.3	20.0	20.0	15.0	15.0
A/E) Number of hazardous traffic citations issued per 1,000 population served	193	185	175	180	180	180	180
B) Number of fatal accidents	2	0	2	2	2	2	2
B) Injury accidents as a percentage of total accidents	25%	27%	24%	30%	30%	24%	24%
C) Percentage of traffic accidents in which seatbelts were not in use	2.00%	1.34%	3.87%	2.00%	2.00%	1.40%	1.40%
C) Percentage of seatbelt use by Bellevue motorists	86%	90%	95%	95%	95%	90%	90%
D/E) DUI arrests versus DUI related accidents	5.9 to 1	7.4 to 1	9.5 to 1	6.0 to 1	6.0 to 1	4.0 to 1	4.0 to 1
D) Occurrence of DUI related fatality accidents	0	0	0	1	1	2	2
<u>Efficiency</u>							
A) Number of accidents investigated per traffic officer	216	239	246	275	275	250	250
A) Ratio of citations issued per hour of patrol time (traffic)	2.0	1.8	2.3	2.0	2.0	2.0	2.0
A) Number of accidents investigated by patrol officers	599	609	719	690	690	550	550
<u>Workload</u>							
A) Accidents investigated	1,787	1,803	1,955	2,200	2,200	2,000	2,000
A) Traffic service requests investigated (hours of work)	1,945	2,250	2,375	2,400	2,400	2,300	2,300
A) Citations issued	23,573	22,762	24,196	28,000	28,500	25,500	26,000
D/E) Total DUI arrests	385	258	256	450	450	400	400

**V. PROGRAM OVERVIEW - POLICE**

**4. Program Notes:**

The Traffic Program provides a vital and necessary service to all who use our roadways. Our primary goal is to provide this service in the most efficient and effective manner possible. We will continue to reevaluate our service delivery methods and strategy in an effort to ensure that they will continue to provide the maximum results at the lowest possible cost.

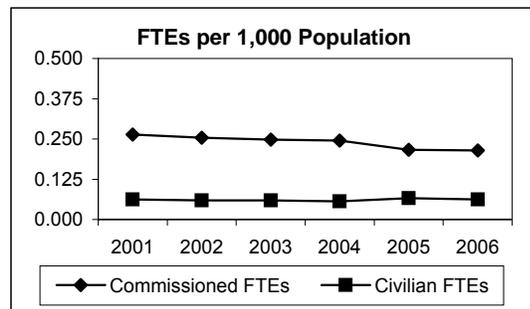
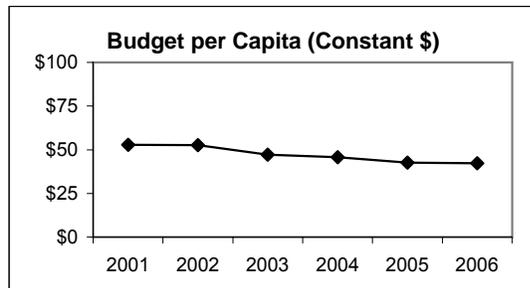
**V. PROGRAM OVERVIEW - POLICE**

**Program:** Community Services

**Description:** This program improves the Police Department's ability to manage, evaluate, and deliver community-oriented police services through a police/community partnership. This partnership jointly identifies community safety issues and applies innovative problem-solving strategies in an effort to maintain safe and vital neighborhoods. A primary focus is to better serve Bellevue's youth, families and neighborhoods. Personnel include bicycle officers, community station officers, crime prevention officers, the DARE officer, school resource officers and juvenile investigations.

- Initiatives:**
1. Encourage community policing/problem solving.
  2. Seek honest and effective feedback from the community.
  3. Continue to educate the community on how we operate, and why.
  4. Continue to improve efforts that better serve Bellevue's youth, families, and neighborhoods.
  5. Better serve residents of the westside by opening a Neighborhood Police Station at the Sound Transit location in the fall of 2005.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$4,072	\$4,435	\$4,448	\$4,455	\$4,248	\$4,431
Reserves	1,823	1,883	1,324	1,288	1,242	1,177
<b>Total Budget</b>	<b>\$5,894</b>	<b>\$6,318</b>	<b>\$5,772</b>	<b>\$5,743</b>	<b>\$5,490</b>	<b>\$5,607</b>
Commissioned FTEs	29.4	29.7	28.9	28.59	25.3	25.3
Civilian FTEs	6.9	7.0	7.0	6.54	7.8	7.4
<b>Total FTEs</b>	<b>36.3</b>	<b>36.7</b>	<b>35.8</b>	<b>35.13</b>	<b>33.1</b>	<b>32.7</b>



**Historical Trends**

\*The 2003 decrease reflects a reduction in the LEOFF I contribution and the impact of a department wide shift in program allocations.

\*The 2005 decrease is primarily a result of staffing reductions in this program.

\*The 2005 commissioned FTE reduction and the slight increase in civilian FTE are the result of a shift in resource allocations to the Community Service program.

## V. PROGRAM OVERVIEW - POLICE

### 1. **Desired Program Outcomes:**

- A) Increase the number of problems solved through police/community partnerships by 10% in 2005 compared to 2004 and an additional 10% in 2006 compared to 2005.
- B) Reduce false alarm responses by 2% in 2005 compared to 2004 and an additional 2% in 2006 compared to 2005.
- C) Build partnerships with the community to identify service needs, changes, or additions.
- D) Increase effectiveness in serving victims of domestic violence through our domestic violence victim advocate contract increasing referrals and prosecution assistance in 2005 compared to 2004.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide a visible presence in the neighborhoods through the existence of community police stations; developing partnerships with the residents in order to prevent crime, arrest offenders, and develop solutions to problems.
- B) Teach Drug Awareness Resistance Education (DARE) to elementary students in an effort to reduce this activity by youth.
- C) Involve the citizens in police activities, enlisting their support in reducing crime in the city by gaining participant involvement in activities such as the school resource officer program, citizens academy, volunteer program, and block watch.
- D) Monitor and reduce false alarms by continued emphasis on the department's comprehensive false alarm prevention program.
- E) Investigate matters involving juvenile offenders and children who are crime victims.
- F) Continue to provide a visible School Resource Officer program in our middle and high schools.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Number of calls for service handled by the Community Services Section	3,149	3,310	3,863	3,200	3,000	3,900	3,950
A) Number of citizen visits per Community Station annually	9,156	8,894	7,903	10,500	10,500	8,000	8,000
A) Gang related arrests	118	76	71	100	95	70	75
A) Number neighborhood problems solved or positively impacted annually	87	47	65	95	105	80	80
A) Percent of neighborhood problems solved or positively impacted annually	92%	75%	92%	90%	90%	90%	90%
B) Percent of false alarms reduced	(17%)	4%	(12%)	(2%)	(2%)	(10%)	(10%)
All) Total number of juvenile arrests per 1,000 juvenile population	26	26	32	25	23	26	28

## V. PROGRAM OVERVIEW - POLICE

### 3. Performance Measures: (Continued)

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
C) Number of violent crimes with juvenile victims	NA	NA	44	200	150	50	50
D) Number of Referrals & Assists by DV Advocate	200	394	407	1200	1500	500	500
<u>Efficiency</u>							
A) Community Services Section budget per capita	\$22.10	\$18.67	\$19.04	\$23.50	\$24.25	\$20.00	\$22.50
A) Percent of volunteer hours to total Community Services Section FTE hours	10%	12%	11%	11%	15%	12%	13%
<u>Workload</u>							
A) Number of arrests made by Community Services Officer	317	195	241	350	375	250	260
A) Number of meetings and presentations sponsored by Community Services	537	438	533	650	700	600	625
A) Number of gang family interventions	18	13	7	20	22	15	20
A) Number of complaints taken by the Community Services Officer	979	718	864	1,000	1,110	900	850
B) Number of false alarm response	3,810	3,947	3,453	3,734	3,659	3,200	2,700
C) Number of reported criminal incidents at middle schools and high schools	189	168	154	175	160	150	150
D) Number of auto prowls cases assigned	166	116	120	175	200	125	150

### 4. Program Notes:

Community Services' main focus will continue to be the partnership with neighborhoods and business in solving crime and problems. Community policing efforts will be expanded as the Downtown Transit Community Station opens in 2005.

## VI. 2005-2006 CIP PLAN PROJECTS - POLICE

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### PUBLIC SAFETY

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PS-40	Crime Laboratory Improvements	AB	\$247	\$1,044
TOTAL PUBLIC SAFETY			\$247	\$1,044

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

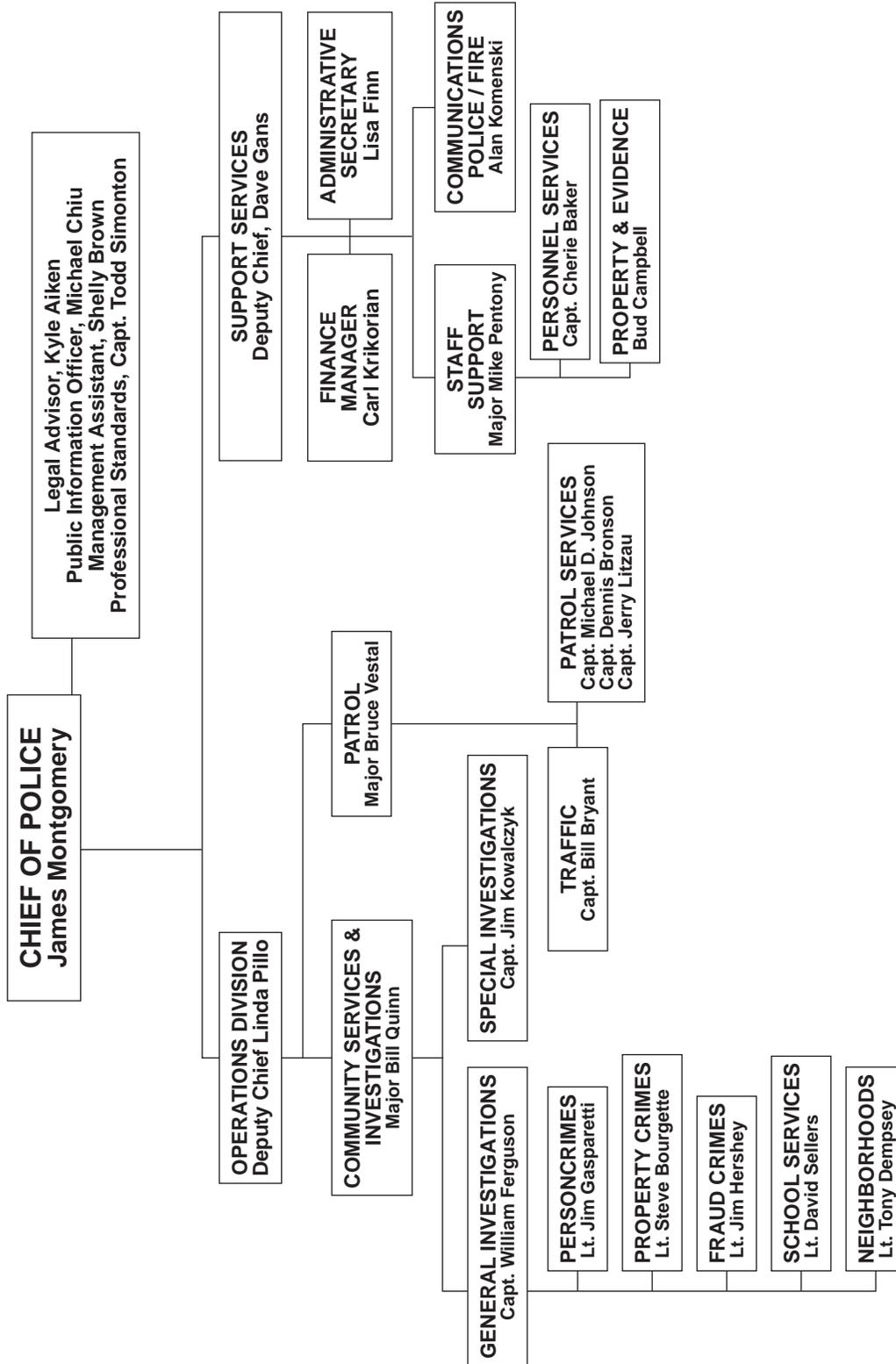
N = New

**POLICE**  
**FINANCIAL SUMMARY**  
 \$000

<u>Resources by Source</u>	<b>COMPARISON</b>			
	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$10,461	\$9,597	(\$864)	(8.3%)
Restricted Revenues:				
Other Taxes	4,634	5,267	633	13.7%
Licenses & Permits	18	14	(4)	(22.1%)
Grants	1,710	1,101	(609)	(35.6%)
Intergovernmental Revenue	8,133	7,507	(626)	(7.7%)
Charges for Services	5	5	0	0.0%
Fines and Forfeits	1,437	877	(560)	(39.0%)
Miscellaneous Revenues	582	543	(39)	(6.7%)
Operating Transfers	86	44	(42)	(48.8%)
Unrestricted Revenues	<u>50,493</u>	<u>51,415</u>	<u>921</u>	<u>1.8%</u>
Total Revenues	67,098	66,773	(324)	(.5%)
<b>Total Resources</b>	<b><u><u>\$77,559</u></u></b>	<b><u><u>\$76,370</u></u></b>	<b><u><u>(\$1,189)</u></u></b>	<b><u><u>(1.5%)</u></u></b>
 <b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$63,198	\$65,181	\$1,983	3.1%
LEOFF I Medical Reserve Fund	899	1,411	512	56.9%
Special, Non-Operating Funds:				
Operating Grants & Donations	813	714	(99)	(12.1%)
Capital Investment:				
General CIP Fund	<u>3,052</u>	<u>247</u>	<u>(2,805)</u>	<u>(91.9%)</u>
Subtotal Expenditures	67,962	67,553	(409)	(.6%)
Ending Fund Balance	<u>9,597</u>	<u>8,817</u>	<u>(780)</u>	<u>(8.1%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$77,559</u></u></b>	<b><u><u>\$76,370</u></u></b>	<b><u><u>(\$1,189)</u></u></b>	<b><u><u>(1.5%)</u></u></b>

# CITY OF BELLEVUE

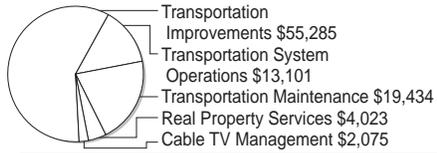
## POLICE



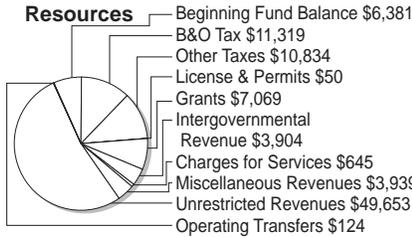
# TRANSPORTATION

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

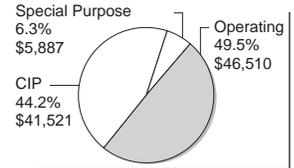


### Budget Data

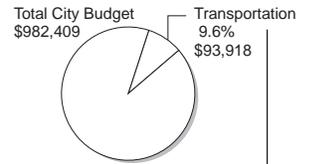
**\$000**

<b>2005-2006 Budget</b>	<b>\$93,918</b>
<b>Change from 2003-2004:</b>	<b>(\$33,761)</b>
<b>Change per Capita:</b>	<b>(27.1%)</b>
<b>2005 FTEs:</b>	<b>128.8</b>
<b>2006 FTEs:</b>	<b>128.8</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(3.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(2.9%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

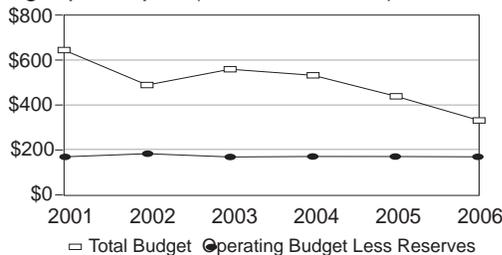


### Percent of Total Budget

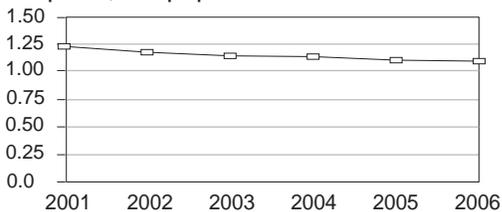


### Historical Trends

Budget per capita (constant dollars)



FTEs per 1,000 population



- The first year of a biennial budget is typically higher than the second year due to CIP project budget carryforwards.
- The 2003-2004 Transportation Department budget was reduced due to a decline in regional economic growth. The changes include an overall reduction in CIP project funding, and General Fund service level cuts in the areas of long range planning, office administration, and street repairs.
- The 2005-2006 Transportation Department budget was again significantly reduced. The changes include the deferral of eight major CIP projects to later years in the CIP and General Fund reductions reflecting cost savings in streets maintenance utility disposal fees, and service level cuts in development review and capital project management.
- In 2004, management of the Cable TV program was transferred to the Transportation Department from the City Manager's Office.
- In 2003-2004 budget was reduced by 5.2 FTEs:
  - 1.6 FTEs were eliminated as a result of service level reductions in Long Range Planning and Office Administration.
  - 2.0 FTEs were transferred to the Information Technology Department (ITD) as part of the City-wide effort to consolidate technology staff.
  - 1.0 FTE was transferred to ITD for three years to lead the Finance and Human Resources System replacement project (ERP).
  - 1.6 FTEs were transferred to Finance as part of the City-wide effort to consolidate financial staff.
  - 1.0 FTE was transferred from the City Manager's Office to support the transfer of the Cable TV program to the Transportation Department.
- The 2005-2006 budget was reduced by 3.0 FTEs:
  - 1.0 FTE was eliminated as a result of service level reductions in Development Review.
  - 2.0 FTEs were eliminated from capital project management due to efficiencies gained by the City-wide Finance and Human Resources System replacement project (ERP).

### Significant Budget Issues

- Transportation capital project funding is projected to continue declining through 2008. This funding decline has resulted in the deferral of eight transportation capital projects originally scheduled for implementation in 2005-2006 into later years of the seven-year CIP plan. While resources have been diminishing, transportation funding needs remain high. The Department has identified over \$250 million of unfunded needs in the next 6-12 years. Transportation funding is projected to begin rising again by 2009, but over the next several years, any new capital project needs must compete with existing projects unless additional resources become available. The department will continue efforts to aggressively pursue new capital funding opportunities.
- The department will continue working on long-term community enhancement efforts such as advancing key elements of the 2003 Downtown Implementation Plan, updating the Factoria Area Transportation Study including integration with bus rapid transit, and an Urban Corridor/High Capacity Transit Initiative for the Bel-Red Corridor.
- Regional planning efforts will continue to advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and provide leadership for Sound Transit, Seattle and Eastside communities to aggressively plan for Phase II Sound Transit Improvements.

## II. MISSION & GOALS

### Mission:

The mission of the Transportation Department is to provide a safe and efficient transportation system that supports livable neighborhoods and a vital economy in partnership with the community.

### Goals:

The Transportation Department, guided by the City's Values, will work in a collaborative partnership with our community, regional partners and City Departments to:

1. Provide a network of high quality, forward-looking, cost effective, integrated transportation choices.
2. Develop innovative solutions that protect, preserve and enhance the natural and developed environment.
3. Implement appropriate technologies and solutions to improve and enhance the movement of people and goods.
4. Inform and actively involve our customers of transportation services, programs and projects.
5. Ensure that services of the Transportation Department are an integral part of the City's overall emergency preparedness plan.
6. Provide employees with tools, education, and professional development opportunities to excel and become leaders in their field.
7. Evaluate new ways of doing business, measure performance over time and continually improve to be the most effective Transportation Department in the state.

## III. 2003-2004 WORK ACCOMPLISHMENTS

### *NEIGHBORHOOD & COMMUNITY INVESTMENT*

1. Updated the Factoria Area Transportation Study including integration with bus rapid transit.

In late 2003 the Transportation Department initiated an update of the Factoria Transportation Study, which was initially completed in 1996. The purpose of the update is to determine if transportation system improvements are necessary to allow the future redevelopment of Factoria Mall, and if so, to identify them. The FATS Update will identify needed improvements to help residents, employees, and shoppers move around in Factoria by auto, transit, bicycles and on-foot. A questionnaire was distributed to 2,600 residents and businesses in January 2004, and several open houses and other events have been held in the community to identify issues and needs. A final report is anticipated in early 2005.

2. Developed early implementation strategy following adoption of Downtown Implementation Plan Update.

The Downtown Implementation Plan update was completed in early 2003 with the CAC's Final Report. Early implementation actions are underway to ensure that new public and private development is consistent with plan direction and preserve opportunities for future implementation. Extensive work was completed during 2003-2004 to establish a 4-party agreement with Overlake Hospital, Group Health Cooperative and WSDOT, and to work cooperatively on planning and design of the NE 10th Street extension across the hospital campus including studies of land use, circulation, environmental review, and how to improve freeway and emergency access. Also, work was advanced on the design of a wayfinding system to guide visitors within downtown, and focus groups were employed to consider a "park once" strategy to improve visitor convenience.

3. Finalized City Transportation Manual volumes including chapters on development requirements, design requirements and standards, and street treatment guidelines.

On September 15, 2003, the new transportation design standards and drawings were released for use. These standards and drawings are designated as Volume V-Design Manual-in the new Transportation Street Design Guidelines. Volume III of the Street Design Guidelines, the Streets that Work manual completed in September 2003, contains the street design treatments. The new design drawings are also available for download on the City's internet site.

4. Developed and implemented early actions from City's Intelligent Transportation Systems plan, including consideration of transit signal priority.

The Department implemented transit signal priority at 148<sup>th</sup> Avenue NE/NE 8<sup>th</sup> Street and 156<sup>th</sup> Avenue NE/NE 8<sup>th</sup> Street in 2004. The system will be evaluated for future use and direction. We are also working with Metro and Sound Transit to implement transit signal priority at 112<sup>th</sup> Avenue NE/NE 6<sup>th</sup> Street near the downtown transit center. In 2003-2004 we added four cameras to our closed circuit system, bringing the total number of cameras City-wide to 20.

#### *CONGESTION MANAGEMENT/CONCURRENCY*

1. Concluded the state legislature-funded joint concurrency methodology evaluation.

In 2003 the Eastside Concurrency Study, conducted by the Washington Transportation Center for Bellevue, Redmond, Kirkland, and Issaquah was concluded. The study was funded by the Washington state legislature with in-kind staff contributions by each of the eastside cities. Results suggest that Bellevue's current method (and those of our neighboring jurisdictions) is overly focused on auto volume/capacity at signalized intersections, and fails to adequately incorporate transit, travel demand management, and non-motorized solutions in providing mobility for land use development. The current method is labor- and technology-intensive, and does not account for regional growth or inter-jurisdictional impacts or solutions. The legislature was provided a final report in late 2003 and Council was briefed on study results in February 2004.

## REGIONAL LEADERSHIP & COORDINATION

1. Provided leadership and worked with Sound Transit, Seattle, and Eastside communities to aggressively plan for Phase II Sound Transit improvements.

Work began in earnest on Sound Transit's Phase 2 plan in 2004. Sound Transit is updating its system plan in coordination with local jurisdictions to reflect recommendations from corridor studies such as I-405 and SR 520. The system plan update will provide broad environmental clearance and policy direction for the Phase 2 plan. More specific work, including analysis of I-90 high capacity transit, will be complete in Spring 2005 and will inform packaging of projects for a public vote, potentially in November 2005. City staff are working closely with Sound Transit, the Eastside Transportation Partnership, and neighboring jurisdictions to evaluate high capacity transit technologies and alignments.

2. Continued to advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and identify potential City supporting actions.

Over the past year, efforts focused on funding major corridor improvements such as I-405, SR 520, and I-90, primarily through the Regional Transportation Investment District (RTID) and state gas tax increase. Staff worked with other jurisdictions, the State, and Sound Transit to identify key projects to submit for voter approval. Ultimately, the RTID did not go forward, but may be revisited at a future time. However, strategic investments were identified through I-405 Implementation Plan and nickel gas tax revenues were committed to three I-405 projects. In Bellevue, the nickel gas tax increase will address the "Wilburton Weave" by funding one additional general purpose lane in each direction between I-90 and downtown Bellevue (\$185 million). Staff continue to work with the State to plan and design I-405 improvements in downtown Bellevue, particularly around NE 10th Street to accommodate Overlake Hospital's expansion and to pursue the recommendations of the Downtown Implementation Plan Update. The nickel gas tax also funded SR 520 environmental review, with a draft EIS expected in Mid-2005. The EIS was completed for I-90 and the I-90 Memorandum of Agreement was amended through intense multi-jurisdictional negotiation, allowing for the addition of an HOV lane to the corridor to proceed. Nickel gas tax revenues (\$15 million) were marked for this project that continues to move closer to being fully funded.

3. Provided leadership and advocacy for new regional and statewide transportation funding via the regional Transportation Investment District and statewide efforts.

The State Legislature passed a five-cent gas tax increase in 2003 with revenues dedicated to specific corridors, including I-405, I-90 and SR 520 (see "Regional Freeway Corridors" for descriptions). Efforts are underway to further increase the state gas tax for additional regional and local projects. At the regional level, efforts to develop a Regional Transportation Investment District plan for voter consideration were unsuccessful, but will likely re-emerge in 2005. Sound Transit's Phase II planning process is underway and will likely be complete in Spring 2005.

4. Worked with King County Metro to ensure enhanced implementation of Bellevue's transit plan and King County's 6-year transit service plan.

The June 2003 City Council adoption and subsequent publication of Bellevue's Transit Plan update established the Bellevue local transit vision. The Plan was instrumental in shifting County service allocation policies in favor of East King County and Bellevue in particular. While service improvements have lagged due to insufficient County resources, capital investments have been made throughout the City, including new bus stop amenities, shelters and layovers. Staff continued to coordinate with Metro and Sound Transit to pursue the service and capital investments articulated by the Plan through analysis of transit signal priority applications, layovers, new transit centers in key activity centers, and amenities intended to improve the quality of transit and boost usage.

#### *PROJECT MANAGEMENT/DELIVERY*

1. Continued efforts to formalize and refine CIP program reporting and management systems.

All project and program financials are tracked via CIP Analysis Sheets and monthly intradepartmental financial monitoring meetings. Developing JDE reports to aid in program management and reporting.

2. Streamlined interdepartmental design plan review process for CIP projects.

Implemented structured plan review comment/response process aimed at producing timely plan reviews with a feedback loop back to the reviewer.

3. Expanded quarterly CIP reporting to Council on project performance to include assessment of risk factors.

Transportation CIP Quarterly Reports presented throughout 2003-2004 focused on risks associated with each project and early issue identification for Council. Additional program performance measures were added to the CIP Quarterly Report.

4. Proactively ensured that Access Downtown partners effectively managed budget, schedule, traffic impacts and community communication issues.

Established the Project Management Oversight Committee for Access Downtown construction phase. Committee focuses on contract schedule and financials, individual contract risk issues, traffic management issues, communications coordination and overall program budget. Project budget was reduced from \$164 million to \$139 million in Spring 2004.

## *TELECOMMUNICATIONS AND FRANCHISE MANAGEMENT*

1. Successfully concluded refranchising with Puget Sound Energy that met identified City objectives.

Two franchise agreements were negotiated with PSE for electrical service and natural gas service. The electric service franchise agreement addressed city objectives for improved dispute resolution and compliance, vegetation management, records of facility locations, relocation of facilities, and system integrity and reliability. The memorandum of understanding on system integrity and reliability requires PSE to provide the City with information about outages, enabling the City to better advocate with the Washington Utilities and Transportation Commission for more reliable electrical service to our citizens. The natural gas franchise agreement addresses similar objectives for improved dispute resolution and compliance as well as system integrity and reliability.

2. Negotiated franchise agreements with AT&T (now Comcast) to ensure their cable television service addressed community needs, including provision of a network for interjurisdictional and educational use.

The City entered into a five-year cable television franchise agreement with Comcast Corporation in July 2004, culminating a three-year process to identify and address community needs. The new franchise agreement provides for funds to support the City's government access channel (BTV), a PEG fee to fund the City's cable television equipment needs, and equipment relocations needed for the City's move to the new building downtown. The City's cable television code was updated concurrently with the franchise negotiations.

## *INTERDEPARTMENTAL SYSTEM IMPROVEMENTS*

1. Implemented improvements resulting from interdepartmental Development Services Improvement initiative.

Customer Service improvements were initiated in Transportation as part of the overall DSI effort. Customer service expectations were prepared for both review and inspection staff, and the development services-wide performance evaluation template went into use in July 2004. In the 2004 DSI customer survey, transportation did not receive any specific negative comments, and two employees were mentioned by name as providing excellent customer service. Transportation is also involved in the code conflicts resolution process, and resolved 20 conflicts in 2003 and 2004 that involved transportation and right of way issues.

2. Actively participated in Human Resources/Financial System Replacement Project to ensure the system successful met enterprise and department needs.

Transportation Financial Services staff contributed significantly to the selection, installation & conversion to the new JD Edwards financial system by actively participating in vendor demonstrations, defining old and new processes & procedures, assisting in the design of the project costing module and reconciliation of conversion data. Financial Services staff also planned and cooperatively led specialized training classes for Department staff.

#### IV. 2005-2006 MAJOR WORK INITIATIVES

##### *ECONOMIC VITALITY & DEVELOPMENT*

- Identify a preferred land use and transportation future for the Bel-Red corridor based on analysis of past and projected future development trends, and community and stakeholder input.
- Design and prepare to construct the initial phase of NE 10th Street to serve as a new medical campus major entry point in cooperation with Overlake Hospital, Group Health & WSDOT.
- Establish agreement among City policy makers, downtown area stakeholders, and state and federal agencies for improved regional access to I-405 at either NE 10th or NE 12th Street.
- Advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and identify potential City supporting actions.
  - Advocate for funding and technical support for additional access ramps on I-405 in downtown Bellevue consistent with I-405 Corridor EIS work, the Downtown Implementation Plan, NE 10th/Overlake project and surrounding area circulation plans.
  - Support a preferred SR 520 design that is compatible with Bellevue's regional vision.
- Provide leadership and advocacy for new transportation funding via regional and statewide funding efforts.
- Continue to provide leadership and work collaboratively with Sound Transit, King County, Seattle, and Eastside communities to aggressively plan for future (Phase II) Sound Transit improvements that help further implement the City's Regional Transportation Vision.
- Work with King County Metro to ensure enhanced implementation of Bellevue's transit plan and King County's six-year transit service plan.

##### *NEIGHBORHOOD & COMMUNITY INVESTMENTS*

- Construct the West Lake Hills improvements funded by the Neighborhood Investment Strategy.
- Design facilities and services recommended by the FATS update and initiate implementation.
- Develop an implementation strategy for the Downtown Plan.
- Implement early actions for the City's Intelligent Transportation Systems plan.
- Implement layovers needed to satisfy near term operational needs of King County Metro and Sound Transit, and seek Council support for a program to address long term layover needs associated with transit service expansion.
- Closely monitor projected workforce levels and take proactive measures to mitigate the impacts of reduced workload resulting from a downward trend in CIP funding.

##### *TELECOMMUNICATIONS AND FRANCHISE MANAGEMENT*

- Successfully conclude re-franchising with Olympic Pipe Line Company that meets identified City objectives.
- Enhance delivery of BTV by implementing video streaming of City Council meetings and program information.

##### *ORGANIZATIONAL SYSTEM IMPROVEMENTS*

- Continue to implement improvements resulting from the interdepartmental Development Services Improvement initiative.
- Actively participate in the Enterprise Resource Management project to ensure system successfully meets enterprise and department needs.

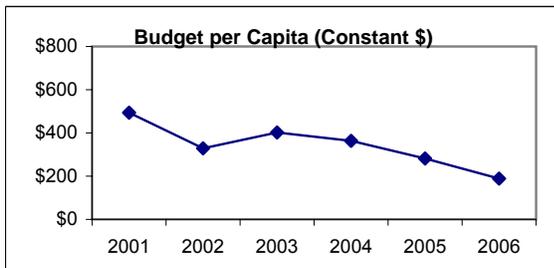
**V. PROGRAM OVERVIEW - TRANSPORTATION**

**Program:** Transportation Improvements

**Description:** This program area provides for: 1) the planning, design, development, and construction of City-owned transportation facilities; 2) coordination with other jurisdictions to provide transit and regional facilities; and 3) major repairs to existing facilities. The goal of maintaining mobility for residents, shoppers, and commuters is achieved through a balanced system of transportation alternatives that supports the City's land use vision, reduces auto dependency, and protects neighborhoods from transportation impacts.

- Initiatives:**
1. Update the Factoria Area Transportation Study including integration with bus rapid transit. Provide transportation support for the update of the City's plans for the Factoria, Crossroads and Eastgate Sub areas, and other areas as appropriate.
  2. Advance key elements of the 2003 Downtown Implementation Plan (DIP), including: a) NE 10th Street Extension and freeway ramp connections, b) NE 2nd Street design, extension over I-405 and ramp connections, c) Planning for implementation of high capacity transit within the Downtown, and d) Other projects as consistent with the DIP.
  3. Implement improvements resulting from the Development Services Improvement (DSI) initiative.
  4. Conduct the Urban Corridor/High Capacity Transit Initiative for the Bel-Red Corridor.
  5. Provide leadership and work with Sound Transit, Seattle, and Eastside communities to aggressively plan for Phase II Sound Transit improvements.
  6. Work with King County Metro to ensure enhanced implementation of Bellevue's transit plan.
  7. Formalize and refine CIP program management systems and reporting including assessment of risk factors for Council.
  8. Advance Bellevue's regional transportation objectives for the I-90, I-405 and SR 520 corridors and identify potential city supporting actions.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$49,149	\$35,228	\$42,997	\$39,264	\$30,287	\$18,907
Reserves	5,885	4,238	6,164	6,361	5,961	6,090
Total Budget	\$55,034	\$39,466	\$49,161	\$45,624	\$36,249	\$24,997
FTEs	61.1	60.9	56.8	55.4	52.6	52.6



**Historical Trends**

\*Budget/reserves in the Transportation Improvements Program fluctuate because they reflect the mix of capital projects under design and construction in any given year.

\*The first year of a biennial budget is typically higher than the second year due to CIP project budget carryforwards.

\*The 2003-2006 budget per capita reflects a decrease in Transportation funding for capital projects.

\*The 2001-2005 budget changed as follows:

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 1. Desired Program Outcomes:

- A) Local and regional transportation system that supports land use and level-of-service standards in Bellevue's Comprehensive Plan.
- B) Increased use of alternative travel modes.

### 2. Activities - Services provided to achieve outcomes:

- A) Plan for local and regional transportation facilities; design and construct capital projects; and review and inspect transportation facilities constructed as part of the Capital Improvement Plan as well as those constructed by private developers.
- B) Implement City projects and programs to promote transit, carpool, bicycle, and pedestrian use; facilitate investment by other agencies for these travel modes.

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) % of areas achieving concurrency	100%	100%	100%	100%	100%	100%	100%
A) Total % variance of construction contract from original construction contract	6%	3%	7%	10%	10%	7%	7%
A) # of projects completed to planned completions	6	6	10	17	11	13	15
A) % of development reviews completed within required processing time of 120 days	100%	100%	100%	100%	100%	100%	100%
B) % of planned walkway system completed	58%	59%	60%	61%	61%	61%	62%
B) % of planned bikeway system completed	31%	33%	36%	35%	35%	39%	40%
<u>Efficiency</u>							
A) Design cost at bid award as a % of contract cost (Note 3)	19%	21%	25%	23%	23%	23%	23%
A) Design cost for intersection projects as a % of contract cost (Note 3)	17%	30%	31%	23%	23%	23%	23%
A) Design cost for roadway projects as a % of contract cost (Note 3)	20%	21%	23%	23%	23%	23%	23%
A) Design cost for walkway/bikeway projects as a % of contract cost (Note 3)	NA	18%	25%	23%	23%	23%	23%
A) Construction engineering labor as % of construction contract cost (Note 3)	7%	7%	6%	13%	13%	11%	11%

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 3. Performance Measures (continued):

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Workload</u>							
A) # of CIP projects under design (Note 5)	50	71	61	42	37	25	13
A) # of CIP projects under construction (Note 5)	46	49	76	35	33	22	18
A) # of developer projects reviewed (Note 4)	363	350	205	300	300	189	189

### 4. Program Notes:

1. Transportation Improvements is the largest program in the Transportation Department. The majority of the funds budgeted in this program are for Capital Investment Program projects or the special funds that finance CIP construction.
2. Reserves are not expenditures. They are funds that have been segregated from general funding sources for future use in a particular program.
3. The 2003 actual reflects a favorable bid climate.
4. The 2001-2002 actuals reflect a higher than average workload associated with an increase in development activity.
5. Targets reflect a decrease in Transportation funding for capital projects.

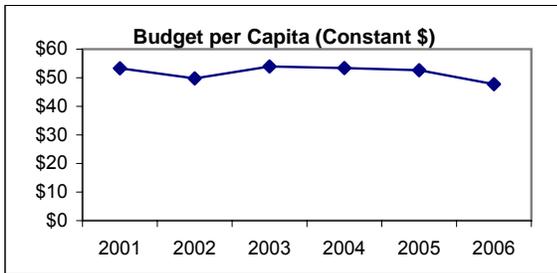
**V. PROGRAM OVERVIEW - TRANSPORTATION**

**Program:** Transportation Systems Operations

**Description:** The Transportation Systems Operations program is responsible for effectively operating the City's transportation systems for the use of motorists, cyclists, pedestrians, and equestrians. Key objectives include efficient operation of the roadway system; cost effective maintenance of the traffic signal and street lighting systems; and improved system safety through engineering measures, education, and public outreach.

- Initiatives:**
1. Manage impacts of downtown construction projects and private construction activities.
  2. Implement early actions from the city's Intelligent Transportation System (ITS) plan.
  3. Successfully conclude refranchising with Olympic Pipeline Company that meets identified City objectives.

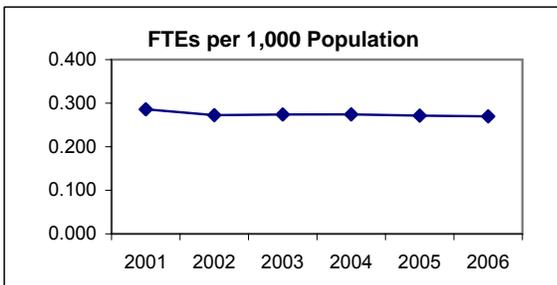
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$5,944	\$5,974	\$6,596	\$6,704	\$6,777	\$6,325
Reserves	0	0	0	0	0	0
Total Budget	\$5,944	\$5,974	\$6,596	\$6,704	\$6,777	\$6,325
FTEs	31.9	31.9	31.9	32.0	31.8	31.8



**Historical Trends**

\*The first year of a biennial budget is typically higher than the second year due to CIP project budget carryforwards.

\*The 2003-2006 budget per capita reflects a decrease in Transportation funding for capital projects.



\*The 2001-2005 budget changed as follows:

- .15 FTE was eliminated as a result of a service level reduction in Office Administration.
- .65 FTE was transferred to ITD as part of the Citywide effort to consolidate technology staff and to lead the ERP project.
- .40 FTE was transferred to Finance as part of the Citywide effort to consolidate Financial staff.
- .50 FTE was transferred from Improvements into the Right of Way Review workgroup.
- .85 FTE was transferred from Development Review in the Improvements program to Neighborhood Services

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 1. **Desired Program Outcomes:**

- A) Reduce traffic accidents at intersections and mid-block locations where traffic engineering solutions can be implemented.
- B) Minimize impacts of increasing regional congestion on neighborhood streets and quality of life.
- C) Minimize congestion by optimizing vehicle flow through signalized intersections.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Design and implement engineering solutions to traffic problems.
- B) Educate citizens about traffic impacts in neighborhoods and implement engineering measures when appropriate.
- C) Adjust traffic signal timing to stabilize or reduce vehicle delay in traffic flows along arterials.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) # of intersections with collision rate > 1 accident per million vehicles entering (Notes 1 & 2)	4	14	7	14	14	12	12
A) # of mid-block corridors with collision rate > 8 accidents per million vehicle miles (Notes 1 & 2)	8	19	7	18	18	12	12
A) Annual accident cost savings to the public from accident reduction projects (\$000s) (Note 2)	\$1,025	\$1,025	\$1,250	\$1,050	\$1,100	\$1,350	\$1,400
B) Percentage of neighborhood locations where 70% or more of residents are satisfied with the final project (Note 3)	100%	100%	100%	90%	90%	90%	90%
<u>Efficiency</u>							
A) # of accident locations reviewed per FTE	45	45	45	45	45	45	45
B) # of Neighborhood Traffic Calming Requests per FTE (Note 4)	88	84	78	75	75	150	150
C) # of timing pattern adjustments performed per FTE	38	40	45	42	43	42	42
<u>Workload</u>							
A) # of high accident locations reviewed/scoped/designed	45	45	45	45	45	45	45
B) # of Neighborhood Traffic Calming Requests received (Note 4)	176	155	156	150	150	300	300
C) # of signals operated (Note 5)	153	164	170	173	175	175	177

**V. PROGRAM OVERVIEW - TRANSPORTATION****4. Program Notes:**

1. The number of traffic accidents at intersections and mid-block locations are affected by annexations and increased traffic volumes within the City. Without design and implementation of engineering solutions targeted to high accident locations, the number and cost of traffic accidents would be significantly higher.
2. Accident rates at locations where accident reduction projects have been implemented are analyzed before and after project implementation. This data is used in conjunction with average accident cost data obtained from the National Safety Council to calculate annual accident cost savings.
3. Neighborhood Traffic Control requests (excluding requests for Residential Permit Parking Zones) may be satisfied through project design and implementation or through targeted outreach and education.
4. Implementation of a citizen request tracking system has resulted in more accurate measurement.
5. The number of signals operated by the City increases due to annexations, as new signals are installed for CIP projects or when the City assumes operating responsibility for WSDOT signals.

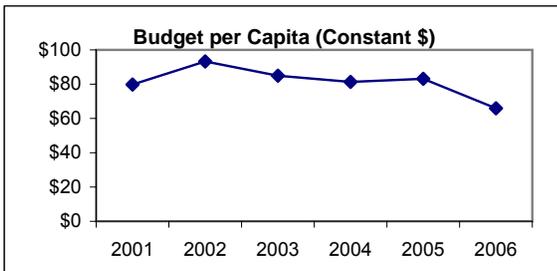
**V. PROGRAM OVERVIEW - TRANSPORTATION**

**Program:** Transportation Maintenance

**Description:** Through daily maintenance, repairs, and pavement overlays, this program provides clean, attractive streets, walkways, and bikeways while minimizing the City's liability and preserving the transportation infrastructure. Maintenance services include traffic control through signage and pavement markings; maintenance of roadways, rockeries, bikeways and walkways; major pavement overlays; street cleaning; snow and ice removal; and control of roadside vegetation.

- Initiatives:**
- 1) Participate in salmon recovery efforts at the local, Lake Sammamish and Lake Washington basin, and regional levels to address Endangered Species Act (ESA) issues.
  - 2) Implement new project planning and maintenance practices to respond to ESA issues.
  - 3) Implement infrastructure inventory development and integrate into Utilities Maintenance Management system.
  - 4) Evaluate and plan for potential annexations.
  - 5) Continue on-going major street maintenance, overlays, and bridge inventory activities.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$ 8,897	\$ 11,194	\$10,387	\$10,213	\$10,701	\$8,732
Reserves	0	0	0	0	0	0
Total Budget	\$ 8,897	\$ 11,194	\$10,387	\$10,213	\$10,701	\$8,732
FTEs	27.1	27.1	26.8	26.8	26.8	26.8

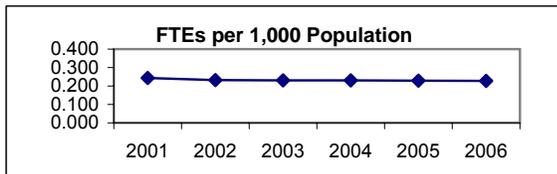


**Historical Trends**

\*In 2002, the program budget was increased to reflect the Meydenbauer Bridge Replacement project.

\*The 2003-2004 budget per capita reflects a service level reduction in the Streets Roadway Maintenance budget and the completion of the Meydenbauer Bridge Replacement project.

\*The 2006 budget per capita decrease reflects a decrease in Transportation funding in the street overlays program.



\*The 2001-2005 budget changed as follows:

- .15 FTE was transferred to ITD as part of the Citywide effort to consolidate technology staff and to lead the ERP project.
- .15 FTE reduction is due to a redistribution of overhead.

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 1. Desired Program Outcomes (continued):

- D) Provide useful, attractive sidewalks that receive a customer satisfaction rating of 90% or better on the annual survey in 2005 and 2006.
- E) Reduce the number of rockeries with a severity rating of 1-4.

### 2. Activities - Services provided to achieve outcomes:

- A) Preserve City's investment in the street system through planned pavement overlays.
- B) Perform scheduled sweeping of bikeways twice each month, arterial streets once each month, and residential neighborhoods three to four times per year.
- C) Respond quickly and effectively to hazardous street maintenance situations.
- D) Provide inspection and mitigation services on all concrete and asphalt walkway systems in one complete maintenance district per year. Perform permanent repairs of walkways in that district as resources allow.
- E) Evaluate rockery conditions and replace or repair rockeries not meeting minimum standards.

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) Avg. pavement ratings for arterials/collectors (Note 1)	84	82	85	82	82	82	80
A) Avg. pavement ratings for residential streets (Note 1)	88	81	86	80	80	80	75
A) # of arterial lane miles with rating of 50 or more/total number of lane miles (Note 1)	295/340	300/340	308/338	300/340	300/340	300/340	295/340
A) # of residential lane miles with rating of 30 or more/total number of lane miles (Note 1)	494/509	480/529	586/617	480/505	480/505	575/617	564/617
B) Customer satisfaction rating for clean streets	95%	96%	95%	95%	95%	95%	95%
B) # of routine sweeping requests per 1,000 customers	0.44	0.51	0.61	0.5	0.5	0.5	0.5
B) # of potholes repair requests per lane mile	0.14	0.11	0.15	0.5	0.5	0.5	0.5
C) % of pothole requests responded to within 24 hours	89%	88%	95%	100%	100%	100%	100%
C) # of paid claims > \$3,000 related to Street Maintenance	0	0	0	0	0	0	0
C) % of traffic sign emergency calls responded to within 1 hour	92%	94%	91%	100%	100%	100%	100%
D) Customer satisfaction rating for sidewalk maintenance & repair (Note 2)	80%	83%	88%	90%	90%	90%	90%
D) % of concrete sidewalks repaired	82%	100%	73%	100%	100%	100%	100%

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 3. Performance Measures (continued):

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Workload</u>							
A) # lane miles in system (Note 7)	869	869	955	869	955	957	957
B) Area of roadway repaired (sq. ft) (Note 8)	27,087	28,196	4,008	3,000	3,000	3,000	3,000
B) # of street miles swept	5,988	5,599	5,214	7,000	7,000	7,500	7,500
B) # of signs maintained	2,296	1,843	1,617	4,500	4,500	4,500	4,500
D) Area of concrete sidewalk repaired (sq. ft.) (Note 3)	8,209	10,708	7,280	10,000	10,000	10,000	10,000

### 4. Program Notes:

- Roadways are rated on a scale from 0-100, with 100 being a new surface. Roadways are typically a candidate for maintenance when a score reaches 50 for arterial streets and 30 for residential streets. Additional information about the City's pavement rating system is included in the annual State of Mobility Report, available through the Transportation Department.
- The survey measures satisfaction with arterial sidewalks. Residential sidewalks are repaired by the City but not cleaned. Residential sidewalk maintenance is a shared responsibility of the homeowner, City contractors, and multiple City departments. Current funding levels allow for cleaning of arterial sidewalks only once each year. The timing of the survey may influence the level of satisfaction.
- The amount of concrete & asphalt sidewalk repairs may vary each year depending on the condition assessment results. The 2003 actual reflects a focus on asphalt repairs.
- Cost per lane mile resurfaced varies according to the type of street resurfaced. Arterials need thicker overlays and tend to require more expensive repairs than residential streets.
- The 2002 actual reflects an increase in winter weather sand removal costs.
- Beginning in 2003, practices were changed to include sign locates for each sign post installed or replaced, resulting in an increase in cost per sign.
- The increase in lane miles in 2003 resulted largely from the annexation of the West Lake Sammamish neighborhood.
- These targets have been adjusted to reflect the 70% reduction to in-house resources for the Pavement Repairs Program. As a result, the ability to perform small (but permanent) paving repairs will be limited causing repeated mitigation rather than proactive assessment and mitigation.

**V. PROGRAM OVERVIEW - TRANSPORTATION/PROPERTY SERVICES**

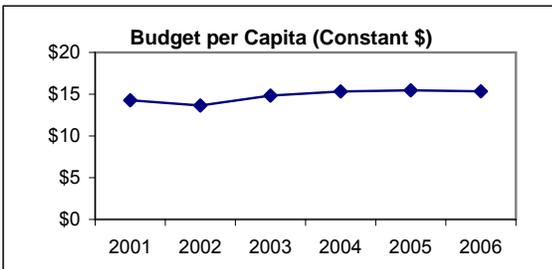
**Program:** Real Property Services

**Description:** The Real Property Services program is responsible for ensuring the integrity of real property transactions and the City's land survey control network. The program provides technical services to City Departments for surveying and real estate transactions that enable departments to plan and implement City projects and programs.

- Initiatives:**
1. Effectively provide land survey and real property services to Transportation, Utilities, Parks, Community Development, General Government, Information Technology, Fire, and Police to enable them to plan and implement 2005-2006 CIP projects and support operational needs.
  2. Continue to improve the efficiency and effectiveness of Survey and Real Property through the use of technology and work process improvements.
  3. Initiate an inventory of City owned properties.

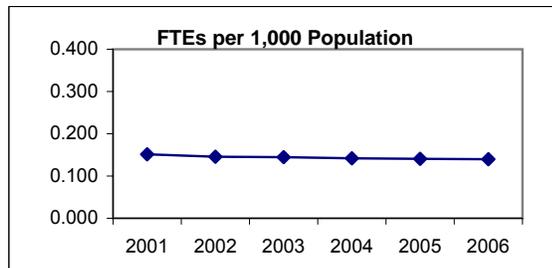
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,591	\$1,638	\$1,814	\$1,924	\$1,991	\$2,032
Reserves	0	0	0	0	0	0
Total Budget	\$1,591	\$1,638	\$1,814	\$1,924	\$1,991	\$2,032
FTEs	16.9	17.0	16.8	16.5	16.5	16.5

**Historical Trends**



\*The vacancy rate in this program is substantially lower than the citywide average, resulting in proportionately higher personnel cost increases.

\*The budget per capita has remained relatively consistent.



\*The 2001-2005 budget changed as follows:

- .20 FTE was eliminated as a result of a service level reduction in Office Administration.
- .10 FTE was transferred to ITD as part of the Citywide effort to consolidate technology staff and to lead the ERP project.
- .30 FTE was transferred to Finance as part of the Citywide effort to consolidate financial staff.
- .15 FTE was transferred from Development Review to Real Property Services
- .05 FTE increase is due to a redistribution of overhead

## V. PROGRAM OVERVIEW - TRANSPORTATION/PROPERTY SERVICES

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Percentage of property rights acquired within six months of offer letter	88%	85%	78%	80%	80%	75%	75%
A) Percentage of property rights acquired without need for litigation	95%	85%	84%	50%	50%	70%	70%
A) Percent of properties acquired at City of Bellevue offer amount	90%	90%	84%	70%	70%	70%	70%
A) Percentage of survey projects completed with no errors	100%	100%	100%	100%	100%	100%	100%
B) Percentage of City within 1/4 mile of a vertical survey control mark (Note 1)	60%	60%	61%	61%	62%	62%	62%
B) Percentage of City within 1/4 mile of a horizontal survey control mark (Note 1)	78%	79%	79%	79%	80%	80%	80%
B) Percentage of survey control markers meeting "First Order Level" of Federal standards for accuracy (Note 1)	99%	99%	99%	99%	99%	99%	99%
<u>Efficiency</u>							
A) Number of properties negotiated per FTE (Notes 2 & 3)	48	70	60	50	40	25	20
A) Number of survey work requests/ FTE	29	24	21	29	29	29	29
B) Average hours to establish survey reference marker	9.2	9.5	9.2	9.0	9.0	9.0	9.0
<u>Workload</u>							
A) Number of property acquisitions completed (Notes 2 & 3)	147	150	170	130	120	70	50
B) Survey service area maintained (in square miles)	31	31	31	31	31	31	31

### 4. Program Notes:

1. The Survey Control Network contains land survey reference markers which provide control points for surveys performed by both City and private surveyors. This system of accurate and documented control points significantly reduces the cost of survey services to City Departments and private citizens.
2. Property acquisitions include total properties, partial property rights for Transportation and Utilities projects, and

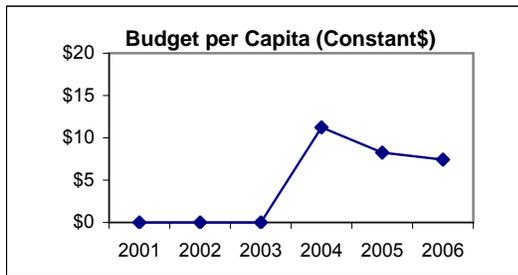
**V. PROGRAM OVERVIEW - TRANSPORTATION**

**Program:** Cable TV Management

**Description:** Management of Bellevue's government access cable TV channel and facilities.

- Initiatives:**
1. Develop BTV as a video production resource for the City.
  2. Administer video streaming system technology.
  3. Replace City Hall BTV production equipment.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$0	\$0	\$0	\$1,399	\$1,076	\$998
Reserves	0	0	0	20	1	2
Total Budget	\$0	\$0	\$0	\$1,420	\$1,076	\$1,000
FTEs	0.0	0.0	0.0	1.0	1.1	1.1

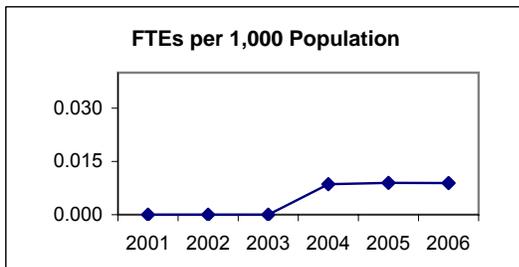


**Historical Trends**

\*Cable TV Management was transferred from the City Manager's office to the Transportation Department in 2004.

\*In 2004, the City collected \$450,000 from Comcast for one-time funding of BTV capital equipment replacement. Reserve funding was established in 2005 & beyond to fund this in the future.

\* The 2005 budget reflects a one time capital outlay of \$118,000 for City Hall BTV equipment replacement.



\*The 2001-2005 budget changed as follows:

- 1.0 FTE was transferred from the City Manager's Office to support Cable TV Operations.
- .10 FTE increase is due to a redistribution of overhead related to department operational support.

**1. Desired Program Outcomes:**

## V. PROGRAM OVERVIEW - TRANSPORTATION

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) % of BTV viewers who give a "very satisfied" rating to BTV	22%	29%	28%	30%	30%	30%	30%
A) % of households who have access to BTV who watch BTV at least once per month	23%	22%	21%	25%	25%	25%	25%
<u>Efficiency</u>							
A) Annual Channel operating costs per subscriber (Notes 1 & 2)	\$7.76	\$8.70	\$6.86	\$9.59	\$9.97	\$9.60	\$10.31
<u>Workload</u>							
A) # of non-city produced hours of programming on BTV per year	4,300	1,612	1,690	1,200	1,200	1,200	1,200
A) # of hours of City produced programs on BTV per year	2,100	4,134	4,134	4,000	4,000	4,000	4,000
A) # of hours of new programming produced by the City per year	240	225	220	295	295	295	295

### 4. Program Notes:

1. The subscriber base grew by 22% in 2003 due to Comcast acquisition of SMATV customers.
2. Annual contributions to the capital replacement reserves were increased beginning in 2005 to fund replacement of BCC & City Hall equipment reserves.
3. Cable TV/franchise revenues in excess of expenditures and equipment reserves are transferred to the General Fund.

## VI. 2005-2006 CIP PLAN PROJECTS - TRANSPORTATION

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### ROADWAYS

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PW-R-44	Transportation Planning Studies	O	\$200	\$3,075
PW-R-46	Major Safety Improvements	O	200	2,598
PW-R-57	Lakemont Boulevard Extension	AB	330	20,929
PW-R-60	NE 29th Place Connection	AB	2,370	16,653
PW-R-82	Public Works Trust Fund Loan - Principal	AB	122	1,000
PW-R-83	Public Works Trust Fund Loan - Interest	AB	4	87
PW-R-87	Transportation Demand Management	O	230	2,049
PW-R-102	Kamber Road Roadway Improvements	AB	1,439	4,237
PW-R-105	150th Ave SE - Newport Way to SE 36th St	AB	3,379	5,659
PW-R-115	Cougar Mountain Way Corridor Improvements	AB	954	6,591
PW-R-117	148th Ave SE Roadway Improvements	AB	1,774	5,901
PW-R-118	SE 16th Street Improvements	AB	3,775	4,616
PW-R-128	Forest Drive Improvements	AB	2,457	6,061
PW-R-130	High Capacity Transit Study	AB	185	190
PW-R-136	Traffic Safety Technologies	O	100	525
PW-R-139	110th Avenue NE - NE 4th St to NE 8th St	AB	638	2,735
PW-R-141	West Lake Sammamish Parkway Analysis	AB	225	560
PW-R-145	Factoria Area Transportation Study (FATS) Update	AB	225	400
PW-R-147	Early Implementation of Downtown Plan	AB	704	710
PW-R-148	I-405 Access Design Options	AB	215	1,063
PW-R-149	NE 10th street Extension	ANB	3,650	4,650
TOTAL ROADWAYS			<u>\$23,176</u>	<u>\$90,289</u>

Project Status Key:

AB = Approved and Begun	O = Ongoing
ANB = Approved and Not Begun	N = New

**VI. 2005-2006 CIP PLAN PROJECTS - TRANSPORTATION****INTERSECTIONS**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PW-I-46	I-405/Bellevue Downtown Access Project	AB	\$417	\$17,798
PW-I-70	Bel-Red Road/NE 30th St	AB	324	339
PW-I-83	Redmond BROTS Projects	AB	200	1,553
PW-I-84	Signal Warrant/Safety Program	O	267	1,570
PW-I-88	112th Ave SE/SE 6th St Signal	AB	407	442
PW-I-89	Lakemont Boulevard/Village Park Drive Traffic Signal	ANB	294	294
TOTAL INTERSECTIONS			\$1,909	\$21,996

**WALKWAYS/BIKEWAYS**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PW-W/B-49	Wheelchair Ramps	O	\$100	\$1,120
PW-W/B-53	Transportation Trail Maintenance Program	O	156	1,181
PW-W/B-56	Pedestrian Access Improvements	O	830	5,160
PW-W/B-64	119th Ave SE - SE 60th St to Lake Heights Street	AB	991	1,203
PW-W/B-66	164th Avenue NE Sidewalk	AB	575	641
PW-W/B-67	NE 24th St - NE 29th Pl to east of SR 520 Overpass	AB	5	256
PW-W/B-69	NE 24th Street - Northup Way to 130th Avenue NE	AB	1,034	1,489
PW-W/B-70	140TH Avenue NE Pathway Improvements	AB	921	1,019
TOTAL WALKWAYS/BIKEWAYS			\$4,612	\$12,069

## Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

**VI. 2005-2006 CIP PLAN PROJECTS - TRANSPORTATION****MAINTENANCE/MINOR CAPITAL**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
PW-M-1	Street Overlays	O	\$7,223	\$79,404
PW-M-2	Minor Capital - Traffic Operations	O	767	7,039
PW-M-3	Curb, Gutter, and Sidewalk Rehabilitation	O	600	3,977
PW-M-7	Neighborhood Traffic Calming Program	O	750	5,051
PW-M-8	Minor Capital Programs - Streets	O	100	615
PW-M-12	Citywide Rockeries Reconstruction	O	210	1,946
PW-M-13	Eastgate Overlays	AB	38	403
PW-M-15	Wetland Monitoring	N	34	235
PW-M-16	97th Ave SE/SE 11th St Slide Treatment Alternative Analysis	ANB	120	120
TOTAL MAINTENANCE/MINOR CAPITAL			\$9,842	\$98,790

**ECONOMIC DEVELOPMENT**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
* ED-5	Urban Corridor Design/High Capacity Transit	N	\$362	\$362
TOTAL ECONOMIC DEVELOPMENT			\$362	\$362

**NEIGHBORHOOD ENHANCEMENT PROGRAM (NEP)**

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
** NEP-1	Neighborhood Enhancement Program	O	\$1,620	\$12,137
TOTAL NEP			\$1,620	\$12,137

## Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

\* This project is the joint responsibility of Transportation and Planning & Community Development. Allocations may differ based upon actual project implementation.

\*\* This project is managed by the Planning & Community Development Department, with Parks and Transportation project elements. Allocations may differ based upon actual project implementation.

## TRANSPORTATION

### FINANCIAL SUMMARY

\$000

<u>Resources by Source</u>	COMPARISON			
	<u>2003-2004 Budget</u>	<u>2005-2006 Budget</u>	<u>\$ Change</u>	<u>% Change</u>
Beginning Fund Balance	\$4,238	\$6,382	\$2,144	50.6%
Restricted Revenues:				
B&O Tax	10,741	11,319	578	5.4%
Other Taxes	7,564	10,834	3,270	43.2%
Licenses & Permits	426	50	(376)	(88.3%)
Grants	11,899	7,069	(4,830)	(40.6%)
Intergovernmental Revenue	9,469	3,904	(5,565)	(58.8%)
Charges for Services	1,479	645	(834)	(56.4%)
Sale of Assets	300	0	(300)	(100.0%)
Miscellaneous Revenues	4,543	3,938	(605)	(13.3%)
Operating Transfers	279	124	(155)	(55.6%)
Unrestricted Revenues	<u>76,742</u>	<u>49,653</u>	<u>(27,089)</u>	<u>(35.3%)</u>
Total Revenues	123,441	87,536	(35,905)	(29.1%)
<b>Total Resources</b>	<b><u>\$127,679</u></b>	<b><u>\$93,918</u></b>	<b><u>(\$33,761)</u></b>	<b><u>(26.4%)</u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
General Fund	\$39,877	\$41,074	\$1,197	3.0%
Land Purchase Revolving Fund	8	8	0	1.3%
Franchise Fund	1,754	2,435	681	38.8%
Special, Non-Operating Funds:				
Debt Service-Voted	1,012	789	(223)	(22.1%)
LID Control Fund	2,372	1,998	(374)	(15.7%)
LID Guaranty Fund	500	0	(500)	0.0%
Capital Investment:				
General CIP Fund	<u>75,774</u>	<u>41,521</u>	<u>(34,253)</u>	<u>(45.2%)</u>
Subtotal Expenditures	121,297	87,825	(33,472)	(27.6%)
Ending Fund Balance	<u>6,382</u>	<u>6,093</u>	<u>(289)</u>	<u>(4.5%)</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u>\$127,679</u></b>	<b><u>\$93,918</u></b>	<b><u>(\$33,761)</u></b>	<b><u>(26.4%)</u></b>

# CITY OF BELLEVUE

## TRANSPORTATION DEPARTMENT

**DIRECTOR**  
Goran Sparrman

**TRANSPORTATION POLICY ADVISOR**  
Kim Becklund

**PLANNING**  
Assistant Director  
**Kris Lijebblad**

MODELING & FORECASTING  
Development Review Analysis  
Scenario Runs  
Concurrency Testing  
Travel Demand Modeling  
Microsimulation Modeling  
LONG-RANGE TRANSPORTATION PLANNING  
Subarea and Corridor Planning  
Transportation Commission and Ped/Bike Committee Support  
Comp Plan Update Support  
Long-Range Planning  
Travel Demand Management  
Pedestrian/Bicycle Facility Planning  
CAPITAL PROGRAMMING  
State of Mobility Reporting  
Transportation Facility Plan (TFP)  
Grants/Transportation Improvement Program (TIP)  
Transportation Capital Investment Program (CIP)  
REGIONAL PROJECTS  
Regional Transit  
Bellevue Transit Planning  
Inter-jurisdictional Coordination  
High Capacity Transit Planning  
Metropolitan Transportation Plan Implementation

**CAPITAL PROJECTS**  
Assistant Director  
**David Berg**

DESIGN DIVISION  
Project Scoping  
Project Management  
Engineering Design  
Plans, Specifications, Estimates  
CIP CONSTRUCTION  
CIP Contract Management and Inspection  
Materials Testing  
COMMERCIAL/PRIVATE DEVELOPMENT/ROW USE INSPECTION  
Private Development Inspector  
Right-of-Way Inspection  
Franchise Utility Inspection  
PAVEMENT MANAGEMENT/OVERLAY PROGRAM

**TRAFFIC MANAGEMENT**  
Assistant Director  
**Laurie Gromala**

SIGNALS/STREETLIGHTING  
Signals Operations & Maintenance  
Street Light Operations & Maint.  
Signal System Planning/ITS  
High Accident Project Planning  
RIGHT-OF-WAY MANAGEMENT  
CIP/Development Construction Coordination  
CBD Traffic Management  
Telecom/Right-of-Way Mgmt.  
Right-of-Way Permitting/Leasing  
Special Events Coordination  
TRAFFIC OPERATIONS  
Channelization & Signing  
System Performance  
NEP Project Design  
Engineering/Design Standard  
DEVELOPMENT REVIEW  
Plats/Short Plat Review  
Traffic Standards Code Admin.  
Temporary & Conditional Use Permits  
SEPA/Design Review  
Comp Plan & Zoning Code Amendments  
Impact Fees  
NEIGHBORHOOD SERVICES  
Neighborhood Traffic Calming  
NEP Coordination  
Pedestrian Safety  
Residential Parking Zones

**BUSINESS SYSTEMS**  
Assistant Director  
**Nora Johnson**

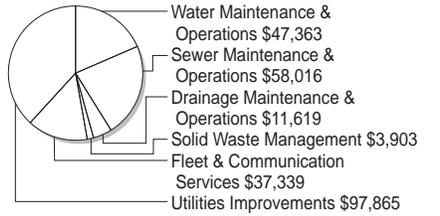
REAL PROPERTY/LAND SURVEYING  
Property Acquisitions/Dispositions  
Real Estate Appraisals  
Property Leasing/Administration  
Subdivision Review  
Surveying/Mapping  
Survey Control Network  
FRANCHISE MANAGEMENT  
Cable TV Franchising & Telecommunications  
Utility & Pipeline Franchising  
BTU Management  
COMMUNITY RELATIONS  
FINANCIAL SERVICES  
Budget Dev. & Monitoring  
Financial Reporting  
Construction Contract Administration & Compliance  
Grant Accounting & Compliance  
EMPLOYEE SAFETY & TRAINING  
EMPLOYEE TRANS SERVICES  
EMERGENCY MANAGEMENT



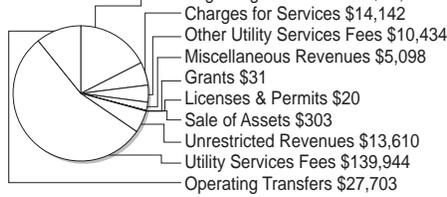
# UTILITIES

## I. BUDGET OVERVIEW

### Expenditures & Reserves



### Resources

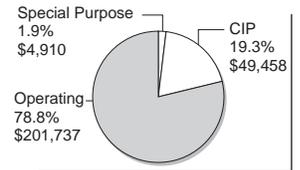


### Budget Data

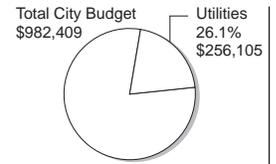
\$000

<b>2005-2006 Budget</b>	<b>\$256,105</b>
<b>Change from 2003-2004:</b>	<b>\$30,153</b>
<b>Change per Capita:</b>	<b>11.2%</b>
<b>2005 FTEs:</b>	<b>169.9</b>
<b>2006 FTEs:</b>	<b>169.6</b>
<b>FTE Change from 2004 to 2005:</b>	<b>(2.0)</b>
<b>FTE Change from 2005 to 2006:</b>	<b>0.0</b>
<b>FTE Change per Thousand 2004 to 2005:</b>	<b>(1.8%)</b>
<b>FTE Change per Thousand 2005 to 2006:</b>	<b>(0.6%)</b>

### Summary by Budget Type

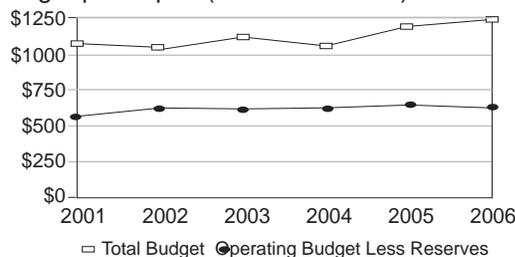


### Percent of Total Budget

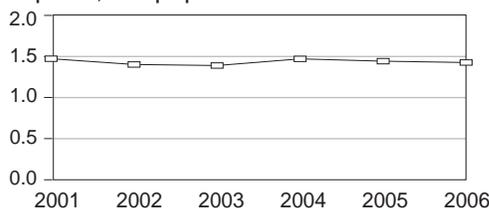


### Historical Trends

Budget per capita (constant dollars)



FTEs per 1,000 population



- Fluctuations in the budget are due to varied levels of scheduled capital project activity and capital equipment purchases in those years.
- The increase in the 2002 operating budget per capita was largely due to the wholesale rate increases from METRO.
- The increase in the 2003 total budget per capita is largely due to the increase in the Seattle Water rates, the assumption of the Coal Creek Utility District (CCUD) and the Cascade Water Alliance (CWA) program.
- The increases in 2005 and 2006 total budget per capita are largely due to impacts of the Coal Creek settlement, increased contributions to Renewals and Replacements (R&R), project delays in prior years and increased target reserve levels associated with the CWA contract. Also, water reserves are purposefully being kept to mitigate future rate increases.
- Impacts to 2005 operating budget include a significant King County METRO rate increase, National Pollutant Discharge Elimination System (NPDES) permit implementation, elimination of wholesale water sales and decreased wholesale water costs due to the new CWA contract.
- FTEs per 1,000 population decreased in 2003 due to the Information Technology Department realignment and a program FTE reduction. In 2004, the increase is due to the assumption of the Coal Creek Utility District.
- In 2005, the decrease is due to FTE reductions due to efficiencies gained by the ERP implementation and Finance Department Realignment.

### Significant Budget Issues

- The 2005-2006 Budget includes the following annual increases for 2005 and 2006 respectively: 3.7% and 0.0% rate increases for Water; 12.0% and 1.6% rate increases for Sewer; 9.4% and 7.1% for Storm & Surface Water. The 2005 increases include a 0.5% increase in City utility tax.
- King County METRO increased wholesale sewage treatment rates by 9.4% effective January 1, 2005.
- The 2005-2006 Budget reflects decreased wholesale water costs due to the new CWA contract and elimination of wholesale water sales.
- The 2005-2006 Budget includes the impacts of the Coal Creek lawsuit settlement agreement.
- The budget includes funding to comply with the City Code related to pavement restoration, NPDES permit implementation, compliance with the Endangered Species Act (ESA), and enhanced condition assessment programs.
- The budget includes various revenue enhancements (including delinquent fees, impacts of new leak adjustment policy, etc.); reduction in FTEs due to ERP implementation and Finance Department Realignment; and other M&O expenditure reductions.
- The 2005-2006 reserve levels are higher largely due to the take-or-pay provisions of the new CWA contract, water reserves purposefully being kept to mitigate future rate increases and the increased contributions to R&R.

## II. MISSIONS & GOALS

### Community Vision:

- Water - To provide a reliable supply of safe, high-quality drinking water that meets all the community's water needs.
- Sewer - To provide a reliable wastewater disposal system that ensures public health and safety and protects the environment.
- Storm & Surface Water - To provide a surface water system designed to achieve fishable and swimmable waters and control damage from storms.
- Solid Waste - To provide a convenient and unobtrusive solid waste collection system that contributes to a healthy and pleasing cityscape in an environmentally sensitive way.

### Our Mission:

#### Providing Exceptional Public Service

#### Our Goals:

1. Provide high-quality customer service.
2. Provide a safe, high quality, and reliable water supply that meets the Community's current and future needs.
3. Meet community expectations for sanitation and litter control.
4. Provide continuous reliable wastewater collection.
5. Minimize damage from storm events.
6. Meet water quality standards established for Lake Washington and Lake Sammamish.
7. Maintain open streams and wetlands to provide flood protection, maintain good water quality, support fish and wildlife habitat, and preserve the natural environment.
8. Manage solid waste to minimize environmental impacts, conserve natural resources, and meet the community's solid waste service needs.
9. Meet local, state, and federal requirements.
10. Instill values and promote actions by individuals, businesses, and other stakeholders supportive of the community's vision of the water, wastewater, surface water, and solid waste utilities.
11. Manage and maintain the City's fleet and communication systems to effectively support City operations.
12. Manage maintenance activities for the City's transportation system to provide clean and safe streets, walkways and bikeways, and respond to winter snow and ice conditions or other emergencies.

### III. 2003-2004 WORK ACCOMPLISHMENTS

1. Implemented Water System Security Enhancements, Phase 1.
2. Completed assumption of that part of Coal Creek Utility Water & Sewer District within the City of Bellevue effective December 31, 2003, to provide utility services to approximately 4,000 water customers and 2,500 sewer customers.
3. Began implementation of water supply action plan which provides a vision and direction for achieving Bellevue's long-term water supply needs through Cascade Water Alliance:
  - a. Completed new water supply arrangements between Cascade and Seattle Public Utilities.
  - b. Completed an Agreement in Principle with Tacoma for interim water supply.
  - c. Completed Memorandum of Agreement for transfer of Issaquah pipeline to Cascade.
  - d. Initiated design of Tacoma/Eastside pipeline.
  - e. Began development of new interlocal agreements among members.
  - f. Continued progress toward final Lake Tapps water right.
  - g. Completed transitional 2004 Cascade Conservation Plan.
4. Assisted Legal in crafting a settlement agreement to resolve Newport Shores/Coal Creek Lawsuit.
5. Completed negotiation, awarded contract and implemented of new solid waste contract that provides improved services/increases in recycling, and saves \$23.5 million over 10 years.
6. Completed replacement of Utilities Customer Information System on March 1, 2004. This implementation included support for utility billing for water, sewer, storm, street lights, and Capital Recovery Charges.
7. Expended \$9.8 million in 2003 and nearly \$8.3 million in 2004, for capital projects that maintain utility systems integrity, improve system operating efficiency, reduce flood damage, protect water quality, improve habitat, improve levels of service per utility policy, and meet service expansion requirements for growth. Major projects included:
  - h. Construction of the Meydenbauer Water reservoir
  - i. Implementation of water system security enhancements
  - j. Expansion of the Bellefields Sewer Pump Station
  - k. Enhancement of auxiliary power capability at sewer pump stations
  - l. Replacement of the Kelsey Creek Fishway at NE 8th street
  - m. Reconstruction of the fish ladder at Mercer Slough/Kelsey Creek
  - n. Replacement of the Richards Creek Culvert at Bannerwood Park
8. Implemented first phase plan for enhancing Wastewater preventive maintenance activities.
9. Completed water and sewer cost of service studies.
10. Evaluated Fleet service delivery options and implemented the results of the study.
11. Completed a Sewer, Water & Storm Pipeline Renewal/Replacement Planning Study to guide our ongoing condition assessment programs and to provide a tool for estimating R&R costs over a 75+ year planning horizon.

12. Successfully completed a mandatory federal audit of our Community Rating System (CRS) program for floodplain management (Federal Emergency Management Agency).
13. Continued work on long-term strategy to respond to increased operations and maintenance requirements mandated by regional, state and federal environmental mandates (e.g., Safe Drinking Water Act, Endangered Species Act, National Pollution Discharge Elimination System).
14. Initiated the Water Comprehensive Plan Update.
15. Became the first agency in the state of Washington, and the 14th agency in the US & Canada, to be Accredited by the American Public Works Association. Becoming accredited means Bellevue's Utility Department meets or exceeds comprehensive national standards of practice across all business lines.
16. Participated in completing a draft Water Resource Inventory Area 8 (WRIA 8) Salmon Conservation Plan for primary chinook habitat as part of regional watershed planning, responding to ESA and federal and state regulatory requirements.
17. Participated in Department of Ecology's development of a report to Legislature on NPDES Phase II permit requirements.
18. Developed and distributed annual Drinking Water Quality Report required by federal EPA. Maintained 100% compliance with all state and federal drinking water quality regulations.
19. Developed and implemented Sustainable Building Improvements & Educational Resources at the Lake Hills Ranger Station, in partnership with the Parks Department.
20. Participated in Washington Department of Transportation's Early Environmental Investments and watershed characterization processes.

#### **IV. 2005-2006 MAJOR WORK INITIATIVES**

1. Continue implementation of the Cascade Water Alliance action plan including:
  - a. Finalization of new interlocal agreements among members
  - b. Finalization of agreement with Tacoma for interim water supply
  - c. Complete regionalization of the Bellevue/Issaquah pipeline
  - d. Finalize design and SEPA and begin construction of Tacoma/Eastside pipeline
  - e. Finalize water right for Lake Tapps
  - f. Begin conceptual design of treatment and transmission facilities for Lake Tapps
  - g. Develop and implement long range conservation plan

2. Implement the Updated Utility Capital Investment Program (Water, Sewer & Storm Drainage). For 2005 and 2006, this includes over \$16 million in utility infrastructure improvements. Major projects include:
  - a. Continue renewal and replacement of aging or under-capacity water, sewer & storm drainage pipelines
  - b. Seismic retrofit of water storage reservoirs
  - c. Quantify and prioritize water pump station retrofit needs for next 10+ years
  - d. Implement water quality upgrades at drinking water storage reservoirs
  - e. Replace the East Creek culverts at Kamber Road, to reduce flooding frequency and improve fish passage
  - f. Improve water quality treatment capacity at existing stormwater detention ponds
  - g. Initiate a flood control program to reduce flooding of structures throughout the city
  - h. Initiate a program to replace inaccurate large volume commercial water meters
3. Initiate the Coal Creek Basin capital projects as stipulated in the settlement agreement.
4. Continue to enhance Wastewater preventive maintenance activities through innovative methods (e.g., low connection research, specialized video inspection, specialized cleaning equipment).
5. Continue development of renewal and replacement criteria and condition assessment programs for each utility, to prudently manage investments in utility infrastructure.
6. Manage stormwater programs to meet National Pollution Discharge Elimination System (NPDES) Phase Two permit conditions.
7. Complete the Water Comprehensive Plan Update.
8. Finalize and approve WRIA 8 Salmon Conservation Plan as part of regional watershed planning. Participate in Plan implementation as directed by Council.
9. Participate in regional waste export system planning and Solid Waste Comprehensive Plan update as part of regional solid waste management activities.
10. Continue work on long-term strategy to respond to increased operations and maintenance requirements mandated by regional, state and federal environmental mandates. (e.g., Safe Drinking Water Act, Endangered Species Act, National Pollution Discharge Elimination System)
11. Complete the enhancement of the Customer Information System to include Internet Utility Bill Presentment and Payment; to support hosted servicing of e-Gov partner utility accounts; and to support rate modeling and analysis.
12. Update local conservation (water) program with new state requirements.
13. Investigate opportunities to reduce city liability under federal and state water quality action plans.
14. Identify methods to reduce costs of proposed new flood control (detention) requirements of the State Stormwater Manual.
15. Develop and/or update hydraulic models of major stream systems.
16. Continue participation in tracking implementation of the Regional Wastewater Services Plan.
17. Develop and adopt a Flood Hazard Reduction Plan in compliance with new state regulations.

**V. PROGRAM OVERVIEW - UTILITIES**

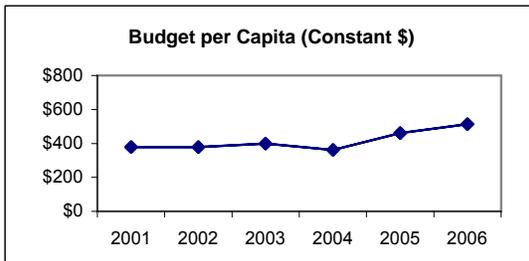
**Program:** Utility Improvements

**Description:** Build and reinvest in utility capital infrastructure. Program elements include system planning and analysis; development, design and construction of the Capital Investment Program (CIP); and project review and construction quality control of development projects. The program is designed to protect the existing utility infrastructure investment, optimize system performance and reliability, and to ensure cost effective system expansion.

- Initiatives:**
1. Complete the update of Water Comprehensive Plan.
  2. Review condition assessment practices; refine anticipated pipeline service life estimates.
  3. Invest \$18 million in utility capital infrastructure.
  4. Develop and/or update hydraulic models of major stream systems.
  5. Continue mandatory audit of federal Community Rating System program for floodplain management.
  6. Initiate the Coal Creek Basin capital projects as stipulated in the settlement agreement.

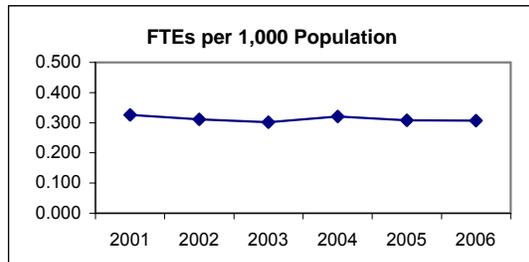
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$24,198	\$25,888	\$33,230	\$26,406	\$29,798	\$32,030
Reserves	18,068	19,509	15,513	19,046	29,634	36,036
Total Budget	\$42,266	\$45,398	\$48,743	\$45,452	\$59,432	\$68,066
FTEs	36.4	36.4	35.1	37.4	36.2	36.2

**Historical Trends**



\*Fluctuations in the budget are due to varied levels of scheduled capital project activity in those years.

\*The increases in 2005 and 2006 are largely due to impacts of the Coal Creek settlement, increased contributions to Renewals and Replacements (R&R), and project delays in prior years.



\*Because the service area for this program includes populations outside the City limits for Water and Sewer, the FTE per 1,000 population is actually somewhat lower than represented in this graph.

\*FTE decline in 2005 is due to efficiencies gained from ERP implementation and FTE transfer to Finance Department as part of the City-wide effort to consolidate Finance staff.

**1. Desired Program Outcomes:**

- A) Ensure the continued integrity of utility infrastructure by making capital investments consistent with long-term capital plans.
- B) Develop a comprehensive plan for each utility and update as needed to meet state requirements and local needs.
- C) Support economic growth by performing development reviews consistent with development timelines.
- D) Increase the ability of the water system to provide 1,000 gpm fire flow from 94.0% in 2003 to 100% by 2020.

## V. PROGRAM OVERVIEW - UTILITIES

### 2. Activities - Services provided to achieve outcomes:

- A) Conduct system analyses to identify system expansion and/or improvement needs.
- B) Develop and implement a Capital Investment Program to address system needs.
- C) Review and communicate timely decisions on proposed development projects.

### 3. Performance Measures:

(Note: The letter in the first column refers to its related Desired Program Outcome. Targets for 2004 do not include Coal Creek Utility District (CCUD), 2005-2006 targets do include CCUD.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Effectiveness</u>							
A) Percent of projects completed within CIP budget	80%	100%	100%	100%	100%	100%	100%
A) Number of projects completed on schedule/planned completions	17/17	20/22	20/20	21/21	22/22	25/25	20/21
A) Percent of annual capital investment completed as planned	85%	60%	67%	100%	100%	100%	100%
B) FEMA Community Rating System ranking	6	6	6	6	5	5	5
C) Percent of development reviews completed within 120 days	100%	100%	100%	100%	100%	100%	100%
D) Percent of customers with at least 1,000 gpm fire flow protection	93.3%	93.5%	94.0%	94.0%	94.5%	94.7%	95.0%
<u>Efficiency</u>							
A) Number of CIP projects per FTE	13.4	13.4	12.8	12.5	12.5	12.0	12.0
B) Cost of system planning per \$ million of asset value	\$307	\$417	\$290	\$340	\$340	\$325	\$325
C) Number of development site reviews completed per FTE/LTE	6.8*	4.8	6.0	13.0	13.5	7.5	8.3
<u>Workload</u>							
A) Number of CIP projects under design	84	67	64	65	65	65	66
A) \$ in millions of annual capital investment	\$9.0	\$5.6	\$9.8	\$11.4	\$7.5	\$8.1	\$10.0
A) Number of CIP projects under construction	64	52	48	55	55	50	51
B) \$ millions of asset value managed for reinvestment	\$1,152	\$1,193	\$2,000	\$1,186	\$1,222	\$2,167	\$2,232
C) Number of developer sites reviewed	43	30	36	43	43	45	50

### 4. Program Notes:

Year-to-year variances in CIP completion rates are to be expected as large projects can create expenditure peaks and valleys. State and federal permit, design, and monitoring requirements have changed as a result of the Endangered Species Act (ESA), which oftentimes slows in-stream project progress. Budgeted expenditures in the first year of a new CIP window include in-progress carryforward budget, which skews the planned expenditures to a higher-than-typical level. Costs for capital expenditures for regional facilities, included in wholesale costs, are not reflected in these performance measures.

Over \$34 million, representing 54% of the 2005-2011 Utility CIP, will be invested in infrastructure renewal and replacement (R&R). The percent of CIP planned for R&R is expected to increase as system expansion subsides, and prudent management of the existing system becomes the primary CIP priority.

Number of CIP per FTE has declined due to turnover in recent years. New staff do not have the experience level and thus are not as productive.

Number of development site reviews were below target for 2003, due to projects stalled by developers, attributed to the declining economic climate. We anticipate some of these projects will be approved and be completed in 2005 and 2006.

**V. PROGRAM OVERVIEW - UTILITIES****4. Program Notes (continued):**

In addition to the R&R investment, other major capital projects in 2005-2006 will include: completion of the Meydenbauer Water Reservoir replacement project (for seismic stability), enhancement of water system security, addition of water quality monitoring equipment at reservoirs, replacing the East Creek culverts at Kamber Road, stream projects for bank stabilization and improved fish passage, and construction of a new sewer pump station in Lake Hills.

The FEMA Community Rating System ranking affects the cost of flood insurance premiums for the citizen of Bellevue. Communities are ranked on a 10-point scale, with 1 being the best. In 2000, an audit by FEMA of Bellevue's flood management policies and practices resulted in an improved rating (moved the rating from a 7 to a 6). The class 6 places Bellevue in the top 5% of participating communities nationwide, and Bellevue citizens within flood plains enjoy a 20% reduction in premiums. Bellevue is pursuing a class 5 rating in 2004, which would result in a 25% premium reduction.

\* 2001 actual updated.

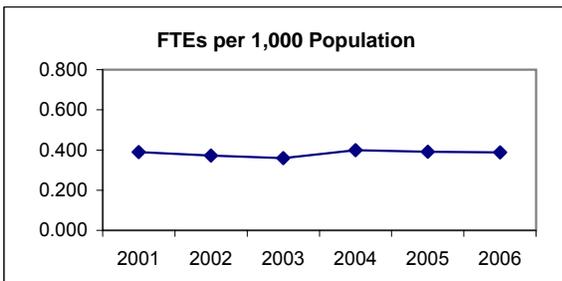
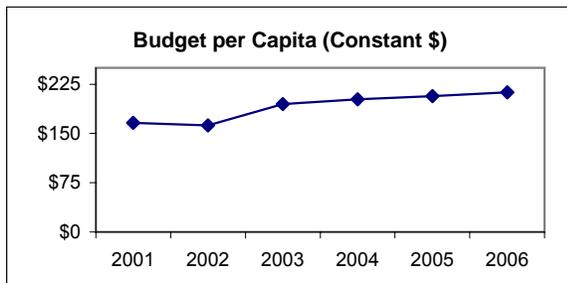
**V. PROGRAM OVERVIEW - UTILITIES**

**Program:** Water Maintenance & Operations

**Description:** Protect, maintain, operate, and administer the City's water system for the purpose of providing a reliable supply of safe drinking water. Maintain adequate water pressure, fire, and consumption flows and quality throughout the system. Provide efficient and effective emergency repairs and services. Monitor the system and supply for and ensure compliance with all state and federal drinking water standards for public water systems. Administer programs which ensure the wise and efficient use of water.

- Initiatives:**
1. Continue support for Cascade Water Alliance efforts to negotiate a new wholesale water supply contract with Seattle Public Utilities or investigate development of independent water sources.
  2. Develop a transition plan for providing water service to areas in Bellevue now serviced by the Coal Creek Utility District.
  3. Continue implementation of a comprehensive system-wide drinking water quality plan.
  4. Continue water quality and conservation program outreach efforts.
  5. Continue production of the federally mandated Consumer Confidence Report.
  6. Complete the replacement/enhancement of the Utilities Customer Service Information System.
  7. Continue development of renewal and replacement criteria and condition assessment programs to manage investments in utility infrastructure.
  8. Complete the Water Comprehensive Plan Update.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$15,619	\$17,075	\$20,807	\$22,381	\$19,188	\$19,806
Reserves	2,912	2,425	3,030	2,963	7,452	8,368
Total Budget	\$18,531	\$19,500	\$23,837	\$25,344	\$26,640	\$28,174
FTEs	43.5	43.5	41.8	46.5	45.8	45.8



**Historical Trends**

\*The increase in 2003 and 2004 is primarily due to increased Seattle water rates, the assumption of the Coal Creek Utility District and the new Cascade Water Alliance (CWA) regional capital facility charge program.

\*Decreased expenditures in 2005 are due to the impacts of the new CWA contract and the elimination of wholesale water sales. The increases in 2005 and 2006 reserve levels are a result of recommendations from the 2004 water cost of service study to increase reserve levels due to the take-or-pay provisions of the new CWA contract. Also, reserves are purposefully being kept to mitigate future rate increases.

\*Because the service area for this program includes populations outside city limits, the actual FTE per 1,000 population is somewhat lower than represented in this graph.

\*The slight reduction in 2005 is due to the Finance Department realignment.

## V. PROGRAM OVERVIEW - UTILITIES

### 1. **Desired Program Outcomes:**

- A) Maintain customer satisfaction rating of 85% or better.
- B) Improve delivery of water to customers by limiting service interruptions to less than 3.0 per 1,000 service connections.
- C) Ensure a safe supply of drinking water by maintaining 100% compliance with state and federal drinking water standards.
- D) Continue to increase water use efficiency, and meet or exceed regional water use reduction goals of 26% by 2010, from 1990 levels.
- E) Minimize City liability concerns by limiting water system claims incurred to four or less claims per year with no single claim greater than \$20,000.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Protect and provide a reliable supply of safe drinking water to the City.
- B) Maintain water pressure, fire and consumption flows, and quality throughout the system.
- C) Provide efficient and effective emergency repairs and service.
- D) Monitor the system to ensure compliance with state and federal drinking water standards for public water systems.
- E) Administer programs for wise and efficient use of water.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome. Targets for 2004 do not include the Coal Creek Utility District (CCUD), 2005-2006 targets do include CCUD.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Customer satisfaction rating	88%	81%	89%	85%	85%	85%	85%
B) Service interruptions per 1,000 service connections	2.90	2.85	2.87	3.00	3.00	3.00	3.00
B) Percent of valves exercised as planned	122%	71%	67%	100%	100%	100%	100%
C) Number of violations of state and federal drinking water standards	0	0	0	0	0	0	0
C) Percent of required backflow device testing and system monitoring completed on time	100%	100%	100%	100%	100%	100%	100%
D) Overall percentage water demand reduction since 1990	23.6%	24.7%	22.4%	21.0%	22.0%	21.7%	22.7%
E) Number of claims paid	3	11	9	4	4	5	5
E) Number of claims greater than \$20,000	0	2	1	0	0	0	0
<u>Efficiency</u>							
B) Average cost for valves exercised	\$4.51	\$3.53	\$4.03	\$5.25	\$5.30	\$4.00	\$4.00
C) Average cost per linear foot of main flushed	\$0.14	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12
C) Cost per customer for meeting state and federal required drinking water standards	\$5.77	\$6.34	\$5.06	\$6.27	\$5.84	\$6.00	\$6.00
D) Water conservation programs costs per customer per year	\$5.67	\$4.45	\$6.76	\$6.27	\$6.26	\$6.26	\$6.26

## V. PROGRAM OVERVIEW - UTILITIES

### 3. Performance Measures (continued):

(Note: The letter in the first column refers to its related Desired Program Outcome. Targets for 2004 do not include Coal Creek Utility District (CCUD), 2005-2006 targets do include CCUD.)

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Workload</u>							
A) Number of customers billed for water services	32,800	32,915	33,050	33,600	33,600	35,800	35,800
B) Number of valves exercised	4,755	2,723	2,585	4,000	4,000	4,500	4,500
B) Number of water main repairs	37	30	32	35	35	38	38
All) Total system miles	562	563	563	564	565	617	618
C) Number of backflow prevention assemblies (BPA) certified	5,097	5,250	6,228	5,300	5,400	7,100	7,300
C) Number of linear feet of main flushed	346,000	205,761	247,482	590,000	590,000	550,000	550,000
C) Number of water system samples tested	897	1,955	2,519	2,000	2,500	2,600	2,600
D) Number of customer service requests for water conservation information and assistance	1,500	343	826	750	750	350	350

### 4. Program Notes:

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The 2003 Performance Measures survey included specific service questions and the Department's satisfaction rating of customers who said that they were "fairly" to "very" satisfied with the Bellevue Utilities Department increased to 89%. The Utility Department has found in years where specific service questions are included, the overall satisfaction rating increases. The 2002 Performance Measures survey was a condensed version which did not include specific service satisfaction questions and the customer satisfaction rating was 81%. The three-year average of this measure is 86% "fairly" to "very" satisfied.

The percent of valves exercised fell during the past few years due to emergency and other more urgent work. Use of temporary help resulted in lower average cost per valve exercised.

Aging infrastructure is beginning to impact costs and the number of claims paid out. While the number of water main breaks predicted for future years is based on an average, less predictable are claims for dig-ups, vehicle accidents, etc. Maintenance costs and claims can be expected to increase as water systems begin reaching the end of their reliable service life.

Lineal feet of water main flushed was down due to the operations staff shift of priorities to water security issues.

The number of backflow prevention assemblies (BPA) certified is increasing faster than previously projected due to multiple installations in residential homes for irrigation systems, fire sprinkler systems, boilers, etc. Also, in 2003, staff surveyed the city for irrigation systems not in the data base resulting in nearly 300 additional BPAs installed.

The number of water samples collected annually is expected to remain constant at about 2,500 as a result of current federal and state requirements.

Water shortage in 2001 drove customer service requests counts very high. New targets represent counts for years without water shortages. Requests were high in 2003 due to the Showerhead Program.

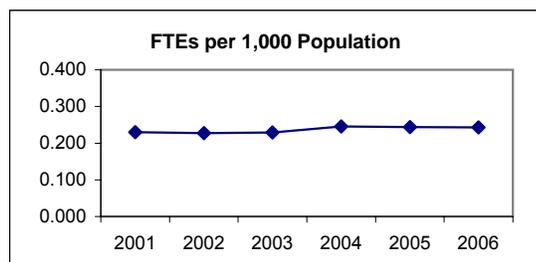
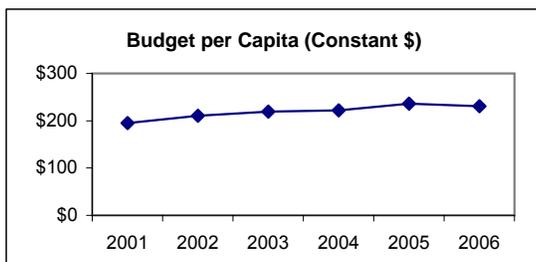
## V. PROGRAM OVERVIEW - UTILITIES

**Program:** Sewer Maintenance & Operations

**Description:** Protect, maintain, operate and administer the City's sewage disposal system in a manner which ensures public health and safety and protects the environment. Maintain and operate sanitary sewer collection and pumping systems to assure continuous and reliable service.

- Initiatives:**
1. Complete the replacement/enhancement of the Utilities Customer Service Information System.
  2. Continue development of renewal and replacement criteria and condition assessment programs to manage investments in utility infrastructure.
  3. Continue to enhance Wastewater preventative maintenance activities through innovative methods.
  4. Continue participation in tracking implementation of the Regional Wastewater Services Plan.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$19,412	\$23,200	\$23,666	\$25,104	\$27,470	\$26,715
Reserves	2,329	2,037	3,154	2,802	2,959	3,831
Total Budget	\$21,741	\$25,237	\$26,821	\$27,906	\$30,429	\$30,546
FTEs	25.6	26.6	26.6	28.6	28.6	28.6



### Historical Trends

\*The increase in 2002 is due to a significant King County METRO rate increase.

\*The increase in 2003 and 2004 is primarily due to the assumption of the Coal Creek Utility District

\*The increase in 2005 is primarily due to a significant King County METRO rate increase.

\*The increase in 2006 reserve levels is largely for rate stabilization purposes.

\*Because the service area for this program includes populations outside city limits, the actual FTE per 1,000 population is somewhat lower than represented in this graph.

\*The increase in 2004 is due to the assumption of the Coal Creek Utility District.

### 1. Desired Program Outcomes:

- A) Maintain a customer satisfaction rating of 85% or better.
- B) Ensure that wastewater produced by Bellevue customers does not pollute local surface waters by limiting pump station overflows to less than 0.23 per 1,000 service connections.
- C) Improve service of the wastewater system by limiting mainline stoppages to less than 0.4 per 1,000 service connections.
- D) Minimize City liability concerns by limiting wastewater system claims incurred to less than seven claims per year with no single claim greater than \$20,000.

## V. PROGRAM OVERVIEW - UTILITIES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Protect City's wastewater disposal system to ensure public health and safety and to protect the environment.  
 B) Maintain and operate a sanitary wastewater collection and pumping system for continuous and reliable service.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome. Targets for 2004 do not include Coal Creek Utility District (CCUD), 2005-2006 targets do include CCUD.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Customer satisfaction rating	88%	81%	89%	85%	85%	85%	85%
B) Non-weather pump station overflows per 1,000 service connections	0.03	0.09	0.03	0.23	0.23	0.11	0.11
B) Percent completion of planned pump station inspection and maintenance program	99%	108%	115%	100%	100%	100%	100%
B) Percent of industrial waste pretreatment systems certified	100%	100%	100%	100%	100%	100%	100%
C) Percent of time sewer service restored within 5 hours of a stoppage	97%	95%	84%	80%	80%	80%	80%
C) Percent completion of planned sewer line inspection program	64%	107%	109%	100%	100%	100%	100%
C) Percent completion of planned manhole inspection program	14%	0%	0%	100%	100%	100%	100%
C) Percent completion of planned sewer pipe jet cleaning program	73%	126%	131%	100%	100%	100%	100%
C) Public system backups per 1,000 service connections	0.26	0.59	0.22	0.50	0.50	0.40	0.40
D) Number of claims greater than \$20,000	2	2	1	0	0	0	1
D) Number of claims paid	10	10	11	6	6	10	10
<u>Efficiency</u>							
B) Cost of pump station maintenance per 1,000 service connections	\$3,370	\$5,605	\$4,645	\$3,500	\$3,600	\$4,500	\$4,500
B) Industrial Waste program costs per customer per year	\$0.99	\$0.48	\$0.94	\$0.50	\$0.50	\$1.00	\$1.00
C) Average cost per manhole inspected	\$11.52	\$0.00	\$0.00	\$11.00	\$11.30	\$16.00	\$16.00
C) Average cost per foot of sewer pipe inspected	\$0.61	\$0.43	\$0.44	\$0.69	\$0.70	\$0.71	\$0.71
C) Average cost per foot of sewer pipe jet cleaned	\$0.33	\$0.26	\$0.28	\$0.44	\$0.46	\$0.39	\$0.39
<u>Workload</u>							
All) Number of customers billed for sewer services	32,200	32,340	32,514	32,400	32,400	34,980	34,980
B) Hours of pump station maintenance per 1,000 service connections	63	98	97	68	68	85	85
B) Number of industrial waste pretreatment systems certified	614	676	697	650	650	775	825
C) Total system miles	485	604	605	605	605	658	659
C) Feet of sewer pipe jet cleaned	312,174	566,224	555,512	425,000	425,000	500,000	500,000
C) Feet of sewer pipe inspected	75,581	183,001	187,247	170,000	170,000	185,000	185,000
C) Number of manholes inspected	714	0	0	5,000	5,000	5,000	5,000

**V. PROGRAM OVERVIEW - UTILITIES****4. Program Notes:**

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The 2003 Performance Measures survey included specific service questions and the Department's satisfaction rating of customers who said that they were "fairly" to "very" satisfied with the Bellevue Utilities Department increased to 89%. The Utility Department has found in years where specific service questions are included, the overall satisfaction rating increases. The 2002 Performance Measures' survey was a condensed version which did not include specific service satisfaction questions and the customer satisfaction rating was 81%. The three-year average of this measure is 86% "fairly" to "very" satisfied.

Annual manhole inspections were not performed in 2002 or 2003 due to a combination of increased workload in video pipeline inspection, preventive maintenance pipeline cleaning, corrective maintenance pipeline repairs, and a limited number of personnel resources. The Utility does however expect to complete 100% of planned manhole inspections in 2004, 2005, and 2006.

There is variability from year to year in public wastewater system backups and the targets for 2005 and 2006 anticipate efficiencies resulting from the preventive maintenance program.

Higher than anticipated claims in 2003 and increases in 2005 and 2006 targets reflect the reality of a litigious climate.

Costs to perform pump station maintenance and hours of pump station maintenance per 1,000 service connections were more than the target due to unplanned preventive maintenance, such as valve and pump wear ring replacements, as well as machine shop work on major pump components.

Industrial Waste Program costs per customer in 2002 were lower due to staff vacancies and other priority programs.

Targets for average cost per foot of sewer pipe inspected and jet cleaned assumed a higher degree of difficulty. Costs were lower due to new techniques involving installation and extraction of transporters and camera.

Total system miles reported in 2002 reflect the addition of the estimated length of city owned laterals in the right of way.

Efficiencies gained from the 2002 reorganization allowed for an increase in the preventative maintenance program and is reflected in the significant increase in feet of sewer pipe cleaned and inspected in that year.

**V. PROGRAM OVERVIEW - UTILITIES**

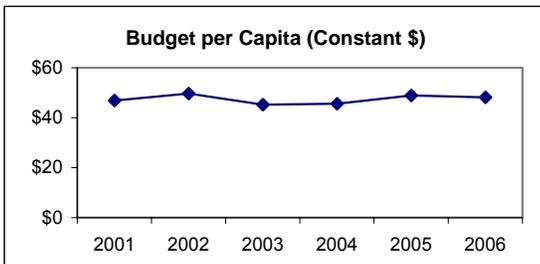
**Program:** Storm & Surface Water Maintenance & Operations

**Description:** Protect, maintain, operate, and administer the City's natural and developed storm and surface water system for the purpose of providing fishable and swimmable water, and a system which minimizes damage from storms. Ensure that systems protect water quality, enhance habitat, control flooding, and comply with state and federal requirements.

- Initiatives:**
1. Continue work on a long-term strategy to respond to increased operations and maintenance requirements resulting from regional, state and federal environmental mandates.
  2. Complete the enhancement of the Utilities Customer Information System.
  3. Continue development of renewal and replacement criteria and condition assessment programs to manage investments in utility infrastructure.
  4. Finalize and approve WRIA 8 Salmon Conservation Plan as part of regional watershed planning. Participate in Plan implementation as directed by Council.
  5. Evaluate new state storm water technical requirements as federally mandated.
  6. Manage storm water programs to meet National Pollution Discharge Elimination System (NPDES) Phase Two permit conditions.
  7. Influence the development of the federal total maximum daily loads regulation.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$3,944	\$5,228	\$4,629	\$4,804	\$5,234	\$5,156
Reserves	1,285	734	895	929	1,064	1,229
Total Budget	\$5,229	\$5,962	\$5,524	\$5,733	\$6,298	\$6,385
FTEs	33.9	33.9	33.9	33.9	33.9	33.9

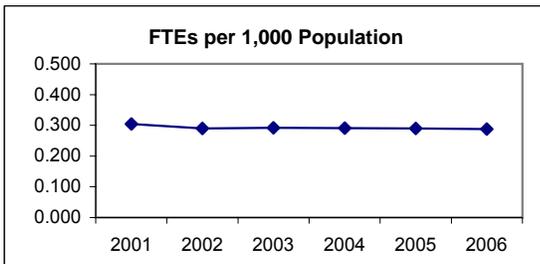
**Historical Trends**



\*Fluctuations in 2002 are primarily due to planned capital expenditures, including technology investments.

\*In 2003 and 2004, the budget remains fairly constant.

\*Increase in 2005 is primarily due to planned capital expenditures and NPDES Permit Implementation.



\*Staffing levels are expected to remain at the current level.

## V. PROGRAM OVERVIEW - UTILITIES

### 1. **Desired Program Outcomes:**

- A) Maintain a customer satisfaction rating of 85% or better.
- B) Maintain a quality comprehensive storm water management program which complies with state and federal regulatory mandates and meets local needs for the safe conveyance of clean surface water.
- C) Minimize the City's liability concerns by limiting surface water system claims incurred to less than or equal to two claims per year with no single claim greater than \$20,000.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Manage City's natural and developed storm and surface water system for protection of fishable and swimmable waters.
- B) Maintain and operate a system to minimize damage from storms and ensure the systems protect water quality, enhance habitat, control flooding, and comply with state and federal requirements.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Customer satisfaction rating	88%	81%	89%	85%	85%	85%	85%
A) Percent of time that flow is restored within 2 hours of a stoppage	94%	83%	85%	90%	90%	90%	90%
B) Percentage of private structures requiring cleaning when inspected	25%	15%	14%	21%	21%	15%	15%
B) Percentage completion of planned storm drainage pipe cleaning program	57%	75%	76%	100%	100%	100%	100%
B) Number of cited violations under the Clean Water Act	0	0	0	0	0	0	0
B) Percentage completion of planned catch basin cleaning program	135%	134%	91%	100%	100%	100%	100%
B) Percentage completion of planned catch basin repair program	83%	104%	56%	100%	100%	100%	100%
C) Number of claims paid	2	2	2	2	2	2	2
C) Number of claims greater than \$20,000	2	0	0	0	0	0	0
<u>Efficiency</u>							
All) Average cost per foot of drainage pipe cleaned	\$1.28	\$0.95	\$1.71	\$1.50	\$1.55	\$1.58	\$1.61
B) Average cost per catch basin cleaned	\$17.00	\$16.00	\$20.20	\$20.00	\$20.50	\$21.00	\$21.00
B) Average cost per private structure inspected	\$15.00	\$15.00	\$15.00	\$16.65	\$17.00	\$15.00	\$15.00
B) Average cost per catch basin repaired	\$301	\$360	\$661	\$290	\$300	\$725	\$750
<u>Workload</u>							
All) Number of customers billed for storm water services	30,100	30,203	30,242	30,200	30,200	30,240	30,240
B) Number of private structures inspected	7,634	7,758	7,790	7,700	7,700	7,800	8,000
B) Total system pipe & ditch miles	459	465	465	465	465	466	467
B) Number of catch basins repaired	217	240	160	210	200	170	160
B) Number of catch basins cleaned	5,005	4,946	3,369	4,200	4,400	3,700	3,700
B) Feet of pipe cleaned	25,877	26,347	22,659	30,000	30,000	30,000	30,000

## V. PROGRAM OVERVIEW - UTILITIES

### 4. Program Notes:

The provision of high-quality service to our customers is a central objective of all Utility programs. Customer surveys help us measure and track customer satisfaction. The 2003 Performance Measures survey included specific service questions and the Department's satisfaction rating of customers who said that they were "fairly" to "very" satisfied with the Bellevue Utilities Department increased to 89%. The Utility Department has found in years where specific service questions are included, the overall satisfaction rating increases. The 2002 Performance Measures' survey was a condensed version which did not include specific service satisfaction questions and the customer satisfaction rating was 81%. The three-year average of this measure is 86% "fairly" to "very" satisfied.

Locations with root blockage, as well as significant storm events, causing plugged culverts resulted in increased flow stoppages of greater than two hours in 2003. These types of blockages require special equipment and additional personnel, taking more time to clear.

The private and public storm systems continue to be effectively cleaned and functionally maintained at reasonable cost. The pipe cleaning and catch basin cleaning tasks are done simultaneously as part of a routine system-wide cleaning program. The jobs were generally smaller, resulting in higher mobilization time and unit costs and a lower number/percentage accomplished. Also, mild winters have resulted in reduced sediment volumes in pipes, decreasing the number and feet of pipes needing cleaning.

The Utility continues to complete catch basin repairs on the highest priority location and conditions. Crews are performing more significant repairs for the last couple of years due to extensive damages caused by traffic and deterioration of concrete and brick found out in the field. Catch basin age and condition can fluctuate from neighborhood to neighborhood. The increase in costs per repair is due to the cost of restoration (new frames, grates, asphalt/concrete, landscaping, etc) and the increased time needed in order to produce a quality product.

The decrease from 2001 to 2003 in the percentage of private structures requiring cleaning reflects the placement of the conveyance-only systems on a regular inspection schedule and the increasing effectiveness of the inspection program outreach with commercial customers. The average cost per structure inspected has leveled out.

Regional, state, and federal requirements will begin to dramatically affect ongoing operations and maintenance costs for surface water quality programs. Maintenance costs and claims can be expected to increase in years ahead as drainage systems begin reaching the end of their reliable service life.

**V. PROGRAM OVERVIEW - UTILITIES**

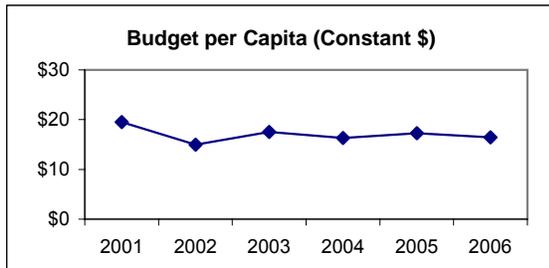
**Program:** Solid Waste Management

**Description:** Provide management services to customers for the purpose of disposing of solid waste, minimizing costs and environmental degradation, and conserving resources. Under contractual arrangements, Eastside Disposal Service collects residential, multi-family, and commercial garbage/recyclables/yard waste, as well as providing citywide litter control, service to City facilities and special drop-off collection events services. Technical assistance projects include: the Business Waste Management Program, waste prevention and recycling projects for household hazardous waste, special recycling collection events, public education/outreach, and participation in the Northwest Natural Yard Days program.

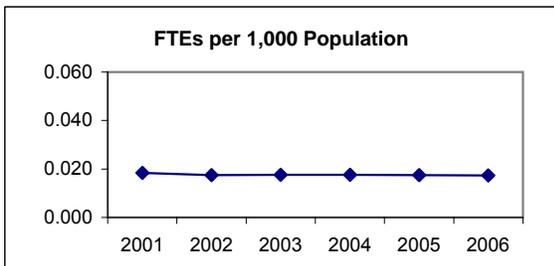
- Initiatives:**
1. Fully implement new contract services.
  2. Participate in regional waste export system planning and Solid Waste Comprehensive Plan update as part of regional solid waste management activities.
  3. Implement enhanced recycling outreach programs consistent with the Integrated Resource Conservation Plan and new contract scope of services.

	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$1,595	\$1,345	\$1,496	\$1,563	\$1,721	\$1,716
Reserves	577	454	644	485	502	466
Total Budget	\$2,172	\$1,799	\$2,140	\$2,048	\$2,223	\$2,182
FTEs	2.1	2.1	2.1	2.1	2.1	2.1

**Historical Trends**



\*The increase in 2005 is primarily due to impacts of the new solid waste contract, specifically in the areas of commercial recycling, customer satisfaction, and market research.



\*Staffing levels are expected to remain constant.

**1. Desired Program Outcomes:**

- A) Maintain our customer satisfaction rating of 85% or better.
- B) Meet state goal of recycling 50% of generated solid waste.
- C) Conserve resources and reduce environmental degradation by maintaining single-family household waste generation below 300 lbs./household/month.

## V. PROGRAM OVERVIEW - UTILITIES

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide management services to customers for disposing of wastes, minimizing costs and environmental degradation and conserving resources. These services include: residential/commercial garbage collection, single-/multi-family recycling, single-family yard waste, and Citywide litter control services. Starting June 2004 commercial recycling services were offered.
- B) Develop and implement technical assistance projects such as the Business Waste Management Program, waste prevention and recycling projects for household hazardous wastes, special recycling collection events, and grasscycling program.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Customer satisfaction rating	88%	85%	89%	85%	85%	85%	85%
B) Multi-family and business recycling rate	22%	21%	NA	20%	20%	20%	20%
B) Combined business and residential recycling rate	35%	32%	NA	35%	35%	35%	38%
B) Single-family residential recycling rate (% of tons of waste recycled)	57%	55%	56%	60%	59%	60%	62%
C) Average monthly single-family waste generation (lbs/household)	276	283	287	285	285	293	298
<u>Efficiency</u>							
B) Annual cost/customer - single-family residential recyclables collection	\$68	\$70	\$72	\$75	\$78	\$66	\$66
C) Annual cost/customer - multi-family and business garbage collection	\$4,490	\$4,715	\$4,900	\$4,700	\$4,900	\$4,700	\$4,700
C) Annual cost/customer - single-family residential yard waste collection	\$82	\$86	\$86	\$90	\$95	\$80	\$80
C) Annual cost/customer - single-family residential garbage collection	\$144	\$152	\$154	\$160	\$165	\$148	\$148
All) Admin costs as a percent of Eastside Disposal Revenue	2.05%	1.98%	2.00%	2.25%	2.20%	3.46%	3.46%
<u>Workload</u>							
A) Average percentage of successful pickups	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%
B) Tons of recyclables collected multi-family	2,584	2,573	2,498	2,700	2,700	2,750	3,000
B) Tons of recyclables collected single-family	11,388	11,955	12,143	11,600	11,600	13,500	14,000
C) Tons of garbage collected single-family	18,297	20,019	19,967	18,250	18,250	20,000	21,000
C) Tons of yard waste collected single-family	12,333	12,285	13,208	14,500	14,500	14,500	15,000
All) Tons of garbage collected multi-family and businesses	73,823	74,817	NA	80,000	82,000	84,000	87,000

**V. PROGRAM OVERVIEW - UTILITIES****4. Program Notes:**

The provision of high-quality service to our customers is a central objective of all Utility programs. The 2003 Performance Measures survey included specific service questions and the Department's satisfaction rating of customers who said that they were "fairly" to "very" satisfied with the Bellevue Utilities Department increased to 89%. The three-year average of this measure is 86% "fairly" to "very" satisfied.

Increases in residential recycling collection (tonnage) have begun to rise again and future annual gains are likely with the new solid waste collection contract. The combined business and multifamily recycling rate was not measured for 2003, as many individual haulers do not report collection data. Regional and national trends continue to indicate declining diversion rates. Annual costs of residential recycling collection per customer are impacted by changing conditions in the market for recycled materials and private contractor decisions beyond City control.

Increase in administration costs as a percent of Eastside Disposal Revenue is due to the new contract.

Yard waste tons collected may fluctuate by as much as 20% from year to year based on weather. Business garbage volumes fluctuate with economic trends.

Average per capita annual waste generation is expected to continue to climb. Business garbage has increased due to economic recovery. Continuing efforts to enhance and promote current recycling programs and customer participation rates will be needed to mitigate potential future impacts.

**V. PROGRAM OVERVIEW - UTILITIES**

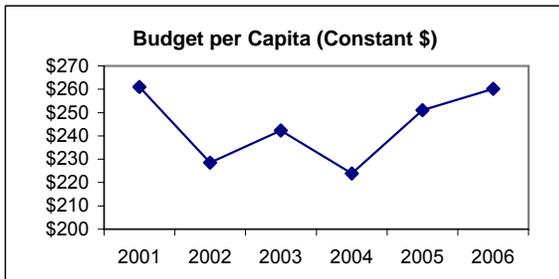
**Program:** Fleet & Communications Services

**Description:** Provide timely, cost-effective maintenance and asset management services to City departments for vehicles, specialized mechanical equipment, radios, and electronic equipment needed to support City functions. Safeguard the City's investment in equipment through asset management, maintenance, and repair services.

- Initiatives:**
1. Continue to evaluate changes in equipment technology and develop processes that will maximize their benefits.
  2. Implement project to co-locate Fleet & Communications operations at the BSC.
  3. Continue to train Fleet & Communications staff to learn and maintain technical skills necessary to effectively service specialized equipment.

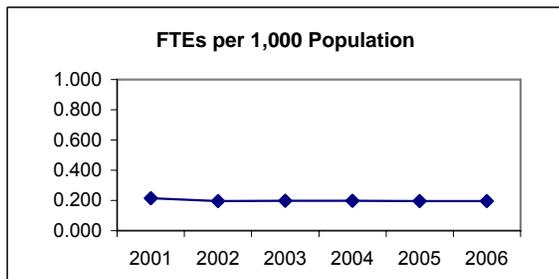
	2001	2002	2003	2004	2005	2006
Budget (\$000s)	\$9,428	\$12,505	\$10,173	\$6,873	\$8,772	\$9,196
Reserves	19,677	14,926	17,984	18,595	19,036	19,371
Total Budget	\$29,105	\$27,432	\$28,156	\$25,468	\$27,808	\$28,567
FTEs	24.0	23.0	23.0	23.0	23.0	23.0

**Historical Trends**



\*Reserves are budgeted in this program to fund replacement of capital equipment for City departments. Fluctuations in the budget and reserves totals are primarily due to the transfer from reserves to purchase capital equipment.

\*2001 budget contains a refund of excess reserves to the General Fund.



\*Staffing levels are expected to remain at the current level.

## V. PROGRAM OVERVIEW - UTILITIES

### 1. **Desired Program Outcomes:**

- A) Ensure that internal warranty service work is 1% or less.
- B) Maintain percentage of vehicles in service at 95% or better and radios at 99% or better.
- C) Sustain maintenance cost per mile increases at no more than the annual CPI.
- D) Provide cost effective fleet and communication services that rate "good" or better with 95% or more of customer survey respondents.

### 2. **Activities - Services provided to achieve outcomes:**

- A) Provide efficient and effective installation, repair, and preventive maintenance services for fleet and radio equipment.
- B) Maximize the City's resources by effectively purchasing and disposing of City assets, including radios, vehicles, and specialized operations equipment.
- C) Work with City departments to establish funding levels and effectively plan for asset replacement.
- D) Provide effective emergency repair services for City departments.

### 3. **Performance Measures:**

(Note: The letter in the first column refers to its related Desired Program Outcome.)

	<b>2001 Actual</b>	<b>2002 Actual</b>	<b>2003 Actual</b>	<b>2003 Target</b>	<b>2004 Target</b>	<b>2005 Target</b>	<b>2006 Target</b>
<u>Effectiveness</u>							
A) Internal warranty work as a percentage of all repairs for all vehicles and maintenance equipment.	0.5%	0.2%	0.2%	1.0%	1.0%	0.5%	0.5%
A) Internal warranty work as a percentage of all radio and other communication equipment repairs	0.20%	0.26%	0.00%	1.00%	1.00%	0.5%	0.5%
B) Average % of vehicles and equipment in service	96%	97%	97%	98%	98%	98%	98%
B) Average % of radios in service	99%	99%	99%	99%	99%	99%	99%
C) Average maintenance cost per mile for light duty vehicles	\$0.34	\$0.35	\$0.23	\$0.23	\$0.24	\$0.24	\$0.24
C) % increase in maintenance cost per mile for light duty vehicles	3.0%	2.9%	0.0%	2.5%	1.7%	1.9%	2.3%
D) % of respondents to Customer Survey rating Fleet services at "good" or "better"	94%	96%	96%	95%	95%	95%	95%
D) % of respondents to Customer Survey rating Communication services at "good" or better	95%	96%	99%	95%	95%	95%	95%
<u>Efficiency</u>							
B) # of light duty vehicles per Fleet Maintenance Technician	43.9	44.9	32.5	32.3	33.0	33.0	33.2
B) # of total pieces of equipment per Fleet Maintenance Technician	85.8	87.8	86.6	86.5	86.5	87.0	87.0
B) # of radios and related equipment per Communication Technician	382	323	317	289	289	318	318

## V. PROGRAM OVERVIEW - UTILITIES

### 3. Performance Measures (continued):

	2001 Actual	2002 Actual	2003 Actual	2003 Target	2004 Target	2005 Target	2006 Target
<u>Workload</u>							
B) # of vehicles and mechanical equipment in service	858	878	866	865	865	870	870
B) # of light duty vehicles in service	439	449	325	325	330	330	332
B) # of radios and related electronic equipment in service	1,147	1,293	1,267	1,155	1,155	1,270	1,270

### 4. Program Notes:

Bellevue continues to do a good job of maintaining its vehicles and mechanical equipment. This allows for a high number of vehicles and mechanical equipment in service, resulting in a 97% in-service rate. This is also reflected in the 2003 Customer Service survey results showing 99% customer satisfaction rating for communications.

In 2003, Fleet and Communications changed the methodology for reporting "light duty" vehicles to match the definition of the ICMA Performance Measurement Program. This affected all performance measures dealing with "light duty" vehicles.

Radio-related equipment purchases in 2003 increased at a greater rate than anticipated.

## VI. 2005-2006 CIP PLAN PROJECTS - UTILITIES

The table below presents the 2005-2006 funded projects from the 2005-2011 Capital Investment Program (CIP) Plan for this department. The table displays the CIP Plan number, project name, the estimated 2005-2006 project cost, and the total estimated cost for the project. A project status indicator is also provided to gauge a project's current status. For further information on any CIP project, please refer to the 2005-2011 Capital Investment Program Plan.

### WATER

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
W-16	Small Diameter Water Main Replacement	O	\$2,351	\$27,974
W-67	Pressure Reducing Valve (PRV) Rehabilitation	O	597	3,530
W-68	Water Service Extension	O	420	3,738
W-69	Minor Water Capital Improvement Projects	O	360	4,005
W-82	Fire Hydrant Improvements	AB	100	1,110
W-85	Structural/Seismic Reservoir Rehabilitation	O	705	10,511
W-87	Rosemont Asbestos Cement Water Main Replacement	AB	689	735
W-90	Water Telemetry Upgrades	AB	64	650
W-91	Water Pump Station Rehabilitation	ANB	400	11,338
W-92	Reservoir Water Quality Upgrades	AB	405	1,197
W-95	Water System Security Enhancements	AB	186	550
W-98	Replacement of Large Commercial Water Meters	N	600	1,500
W-99	Water Service Line and Saddle Replacement Program	N	300	1,077
TOTAL WATER			\$7,177	\$67,915

### SEWER

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
S-16	Sewage Pump Station Improvements	O	\$400	\$10,637
S-24	Sewer System Pipeline Rehabilitation	O	1,218	10,601
S-30	Sewer Service Extension	O	752	8,961
S-32	Minor Sewer Capital Improvement Projects	O	248	2,154
S-50	Bogline Lift Station	AB	358	415
TOTAL SEWER			\$2,976	\$32,768

Project Status Key:	
AB = Approved and Begun	O = Ongoing
ANB = Approved and Not Begun	N = New

## VI. 2005-2006 CIP PLAN PROJECTS - UTILITIES

### STORM DRAINAGE

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
D-59	Minor Storm & Surface Water Capital Improvement Projects	O	\$220	\$1,620
D-64	Stormwater System Conveyance Infrastructure Rehabilitation Program (IRP)	O	1,155	9,049
D-65	Neighborhood Enhancement Program (NEP)	O	60	345
D-69	Coal Creek Stabilization	AB	680	1,025
D-71	Richards Creek Culvert Reconstruction	AB	740	1,247
D-76	116th Avenue SE Outfall	AB	423	476
D-77	Kelsey Creek Basin Storm Drainage Improvements	AB	163	221
D-78	Lakehurst Creek Channel Stabilization	AB	82	184
D-79	Petroleum Treatment Facilities	AB	225	297
D-80	Meydenbauer Creek Erosion Control	AB	173	275
D-81	Fish Passage Improvement Program	O	271	1,986
D-83	Rosemont Beach Storm Drainage Improvements	AB	200	221
D-84	Future Basin Plan Capital Projects	O	95	200
D-86	Stream Channel Modification Program	O	232	2,185
D-90	Richards Creek/East Creek Flow Management	AB	490	553
D-92	Retrofit Regional Detention Facilities for Improved Water Quality	AB	270	848
D-94	Flood Control Program	N	800	4,467
D-95	Coal Creek Upper Reach Bank and Slope Stabilization	N	50	600
D-98	Overbank Storm Water Outfall Improvements - King County	N	341	351
D-99	Overbank Storm Water Outfall Improvements - In Bellevue	N	450	475
D-100	Coal Creek Stream Bed Grade Control	N	100	800
D-101	Lower Coal Creek Sediment Pond	N	70	700
D-102	Coal Creek Projects Programmatic EIS	N	500	500
TOTAL STORM DRAINAGE			\$7,790	\$28,625

### GENERAL GOVERNMENT

CIP Plan Number	Project Name	Project Status	\$ in 000s	
			2005-2006 Project Cost	Total Estimated Cost
G-41	Fleet & Communications Maintenance Shops Co-location	AB	\$1,868	\$2,059
TOTAL GENERAL GOVERNMENT			\$1,868	\$2,059

Project Status Key:

AB = Approved and Begun

O = Ongoing

ANB = Approved and Not Begun

N = New

**UTILITIES**  
**FINANCIAL SUMMARY**  
 \$000

<u>Resources by Source</u>	<b>COMPARISON</b>			
	<b>2003-2004 Budget</b>	<b>2005-2006 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Beginning Fund Balance	\$40,086	\$44,820	\$4,734	11.8%
Restricted Revenues:				
Licenses & Permits	85	20	(65)	(76.5%)
Grants	456	31	(425)	(93.2%)
Utility Services Fees	124,778	139,943	15,165	12.2%
Other Utility Services Fees	9,940	10,434	494	5.0%
Charges for Services	13,172	14,142	970	7.4%
Sale of Assets	1,157	303	(854)	(73.8%)
Miscellaneous Revenues	5,186	5,098	(88)	(1.7%)
Operating Transfers	22,494	27,703	5,209	23.2%
Unrestricted Revenues	<u>8,598</u>	<u>13,611</u>	<u>5,013</u>	<u>58.3%</u>
Total Revenues	185,866	211,285	25,419	13.7%
<b>Total Resources</b>	<b><u><u>\$225,952</u></u></b>	<b><u><u>\$256,105</u></u></b>	<b><u><u>\$30,153</u></u></b>	<b><u><u>13.3%</u></u></b>
<b><u>Expenditures and Ending Fund Balance</u></b>				
Operating:				
Sewer Utility Fund	\$55,478	\$63,060	\$7,582	13.7%
Storm & Surface Water Utility Fund	20,986	24,445	3,459	16.5%
Water Utility Fund	57,840	56,796	(1,044)	(1.8%)
Equipment Rental Fund	15,026	16,100	1,074	7.1%
Solid Waste Fund	2,288	2,648	360	15.7%
Special, Non-Operating Funds:				
LID Control Fund	16	0	(16)	(100.0%)
Operating Grants & Donations	838	748	(90)	(10.8%)
Utility Revenue Bond Redemption	4,253	2,997	(1,256)	(29.5%)
Capital Investment Plan Budget:				
General CIP Fund	2,019	1,868	(151)	(7.5%)
Utility CIP Fund	<u>22,388</u>	<u>18,142</u>	<u>(4,246)</u>	<u>(19.0%)</u>
Subtotal Expenditures	181,132	186,804	5,672	3.1%
Ending Fund Balance	<u>44,820</u>	<u>69,301</u>	<u>24,481</u>	<u>54.6%</u>
<b>Total Expenditures and Ending Fund Balance</b>	<b><u><u>\$225,952</u></u></b>	<b><u><u>\$256,105</u></u></b>	<b><u><u>\$30,153</u></u></b>	<b><u><u>13.3%</u></u></b>

# CITY OF BELLEVUE

## UTILITIES DEPARTMENT

Sewer Utility Fund, Storm & Surface Water Utility Fund,  
Water Utility Fund, Solid Waste Fund, Fleet & Communications

**DIRECTOR**  
Brad Miyake

### BUSINESS ADMINISTRATION

Nav Otaí

**Financial Management**  
Misc. Accounts Receivable & Grants  
Budget Development & Monitoring  
Personnel Management  
Rates Studies & Development  
Financial Forecasts

### Customer Service &

#### Administrative Support

Central Reception &  
Administration  
Customer Accounts & Service  
Senior/Disabled Discounts  
Program  
Utility Billing & Collection

### Systems Group

Automation Planning/Monitoring  
Database Management/  
Development  
Systems Evaluation &  
Implementation  
Report Development

### DEPUTY DIRECTOR

Vacant

### ENGINEERING

Wes Jorgenson

#### Design Services

CIP Implementation  
Project Design  
Project Management  
Automation  
AutoCad Design  
Engineering Standards

#### Construction Services

CIP Inspection  
Contract Management  
Development Inspection

#### System Planning & Mapping

CIP Development  
Comprehensive Planning  
Infrastructure Renewal & Replacement  
System Analysis  
AutoCad System Mapping

#### Development Review

Developer Extensions  
Permit Center  
Permit Reviews & Administration

### OPERATIONS & MAINTENANCE

Denny Vidmar

#### Services Management

Customer Service/Work Request Management  
Labor Relations/Personnel Management  
Operations & Safety Training  
Stockroom & Inventory Control

#### Field Services—Water, Wastewater, Surface

**Water & Streets**  
Preventive Maintenance & Repair  
Service Installations  
System Operations & Control  
Emergency Response  
Private Systems Advice  
System Location Services  
Meter Reading  
Traffic Control Markings & Signs  
Street Sweeping & Vegetation Management

#### Direct Internal Services

Fleet & Communication System  
Maintenance & Repair  
Fleet & Electronic Equipment  
Replacement Management  
Motor Pool Management  
Fuel Management

### ENVIRONMENTAL DIVISION

Damon Diessner

**Drainage & Solid Waste Systems Management**  
Private Systems Inspection  
Surface Water Quality & Quantity Control  
Source Control  
Clean Water Act & Puget Sound Plan Compliance  
Solid Waste Planning & Services  
Garbage/Recycling/Yard Waste  
NPDES Permitting

#### Resource Management

Drinking Water Quality  
Water Conservation  
Stream Team  
Pollution Prevention  
Recycling Education  
Public Info & Emergency Communication  
Industrial Waste  
Septic Systems

#### Intergovernmental

Water Supply Planning (CWA)  
Regional Waste Water Planning  
Regional Watershed Participation  
Legislative Issue Tracking  
Regional Solid Waste Management

#### Environmental Compliance

Intergovernmental Water Quality Enforcement  
Hazardous Waste Disposal  
Space Issues  
Property Management

#### Streams Systems Management

Streams and Habitat Monitoring  
Salmon Monitoring  
Technical Interdepartmental Coordination  
Technical Regional Coordination  
Interdepartmental Grants Coordination

